Daily Report

Latin America

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FBIS-LAT-90-092 *11 May 1990*

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Cuba

Havana Ceremony Marks Defeat of Fascism

FL1005222390 Havana Tele Rebelde Network in Spanish 1141 GMT 10 May 90

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba [PPC] Central Committee and minister of the FAR [Revolutionary Armed Forces of Cuba], presided over the political ceremony marking the 45th anniversary of the victory over fascism. The ceremony was held at the FAR General Maximo Gomez Academy and included the presence of Oleg Baklanov, secretary of the CPSU Central Committee and head of the Soviet parliamentary delegation that visited our country. During the ceremony, the participants reaffirmed the friendly ties that exist between the Cuban and Soviet people.

[Begin Baklanov recording in progress, in Russian with simultaneous translation into Spanish] ...from the moment our delegation arrived in this wonderful country. Although we have only spent a few days here, we have had the opportunity to perceive the sincerity and depth of the fraternal feelings that the Cuban people have for the Soviet Union. And these feelings have been confirmed to us by the warmth and cordiality with which people treated our delegation everywhere we went. Allow me to assure you, my dear Cuban friends, that we, the Soviet Union, also share those friendly feelings for you. We look at the future of our relations with optimism. Our relations meet the necessary conditions for a succesful development.

The creative spirit that prevails in this country has made a strong impression on us. We are also very impressed by the carrying out of large-scale activities included in the war of all the people, which are being conducted to strengthen the country's defensive abilities. Allow me to greet the Cuban brothers-in-arms here present, as well as, the heroic Cuban people and combatants. I want to congratulate them all on occasion of our common celebrations, which are the 30th anniversary of the resumption of diplomatic relations between the USSR and Cuba and the 45th anniversary of the victory of the Soviet people in the great war of the homeland, which the entire progressive society is commemorating along with us today. Let me wish you plentiful and significant achievements in the construction of socialism and in the future strengthening of your wonderful country's defensive potential. Long live the Cuban, Soviet friendship! [Crowd shouts: "Viva!"] [applause] [end recording]

[Begin Division General Ulises Rosales del Toro, first vice minister of the FAR, recording] During the battles and combats against the aggressor, men of various Soviet Union nationalities demonstrated matchless heroism and bequeathed us immortal examples of patriotism, courage, firmness, and faith in their victory. During the great war of the homeland, the victorious Red Army wrote glorious pages in history and conducted relevant military deeds including the battles of Moscow, Leningrad, Stalingrad, Sevastopol, and many others.

Yesterday, we commemorated the 30th anniversary of the resumption of relations between the USSR and Cuba. We have maintained very close ties in all fields, especially in the military one. During these 30 years, our relations have been strictly based on principles and mutual respect. This has been a determining element in the firmness of our ties. This firmness has helped us overcome difficult times together. Our firm ties guarantee us that in the future we will be able to solve any difficulty we may find along our path within the framework of understanding and fraternity.

Throughout these years, the Cuban military men have had the opportunity to share experiences with many USSR Armed Forces combatants. We have witnessed their outstanding merits and virtues. Thus, we are proud of the deep friendship we have forged during the arduous work and struggles of these 30 years.

Comrades, the experience of the great war of the homeland proved that there is no aggressor—regardless of how powerful it may be—that can save itself from its defeat when confronted with the determination and heroism of a people that is willing to make any sacrifice to defend its independence. Lessons like those taught by the Soviet people and those taught by our own past struggles have nourished the Cuban people and have helped us organize our defensive system in order to turn our fatherland into an inexpugnable fortress. We have an immense responsibility. We have to defend the first socialist revolution in the Western hemisphere. And if the day comes when we have to resort to our weapons to preserve socialism in our homeland, which is also the only way to maintain our independence and sovereignty, we will know how to be on the same level as those who one day never hesitated to shed their generous blood not only for their homeland but also for the entire humanity. As Commander in Chief Fidel Castro Ruz stated when the Soviets fought and died in Leningrad, Moscow, Stalingrad, Kursk, and Berlin, they fought and died for us too. Their blood is also our blood. Long live the 45th anniversary of the victory over fascism! [Crowd shouts: "Viva!"] Long live the friendship between Cuba and the Soviet Union! [Crowd shouts: "Viva!"] Socialism or death! Fatherland or death! [Crowd responds: "We will win!"] [applause] [end recording]

Baklanov Remarks on Relations

FL1005190090 Havana Cubavision Network in Spanish 0100 GMT 10 May 90

[Speech by Oleg Baklanov, USSR people's deputy and secretary of the CPSU Central Committee, at the ceremony marking the 30th anniversary of the restoration of Soviet-Cuban relations in the Universal Hall of the Revolutionary Armed Forces on 8 May, in Russian with simultaneous Spanish translation—recorded]

[Text] Dear friends and comrades, esteemed Comrade Fidel: First, allow me to convey to you the ardent greetings and most cordial wishes of all the Soviets and leaders of the Soviet Union, headed by Mikhail Sergeyevich Gorbachev.

Today we celebrate an important date in the annals of cooperation between our countries—the 30th anniversary of the restoration of diplomatic relations. Soviet-Cuban friendship has profound historic roots. We are familiar with dozens and hundreds of names involved in the secular struggle of Cuba's people for their independence. With glory, they set an example of loyalty to the great ideals of liberty. Those who knew how to recognize and support the reciprocal attraction that our peoples already felt at the start of the century will live eternally in our memories. This friendship was cultivated during the battle for Cuba's national independence and during the difficult times from which the young republic of the Soviets was emerging.

In May 1896, the Russian revolutionaries (Piotor Strenikov), (Efstafi Konstantinovich), and (Nicolai Malientif) landed on the island and joined the forces of Antonio Maceo and fought alongside the Cuban patriots to liberate the country from slavery, exploitation, and oppression.

In June 1923, Moscow received donations from Havana directed to Vladimir Ilich Lenin. These donations were collected by the Committee for Russian Assistance for the construction of the young Republic. The Soviets recall with gratitude the generous tasks of the Cuban Foundation for Assistance to the Allies in the struggle against fascism. They were consistent in sending money, food, and clothing for the combatants of the Red Army.

The 30th anniversary of the restoration of diplomatic relations is a date to commemorate. It constitutes a milestone which allows us not only to appreciate the value of the road taken, but also to view the future with security. It is also symbolic that the 30th anniversary of the Cuban revolution, which we recently celebrated together, and this anniversary are two consecutive dates. The correct comprehension of expectations and needs and the desire to insure an active and decorous life helps you to construct the future without fear of sacrifices, deprivations, or unprecedented foreign pressure.

Today, the dreams of social justice based on the legacy of thinkers and fighters for Cuba's independence, such as Jose Marti, Maximo Gomez, and Julio Antonio Mella, are a reality based on the traditions of Latin American history and on the efforts made by the Cuban people under the direction of their communist party, headed by Comrade Fidel Castro.

Many of us are in Cuba for the first time. We have heard many wonderful things about your admirable fatherland. Now that we are here, however, we have been personally convinced that there is nothing better than direct impressions and contact with the people. We have seen how the Cubans work in rural areas and in factories, in offices and laboratories, creating with their hands and talent everything that is beautiful and adds meaning, essence, and color to life. Seeing what has been done in the time that has passed and the fundamental transformations that have occurred in all aspects of social life for the purpose of converting Cuba into a legitimate state of the people, one feels profound admiration for the enormity of the tasks in which you are immersed.

You can feel proud of the high prestige Cuba has earned with its socioeconomic achievements, above all in such important sectors as health, education, the training of youths, science, and culture, which are admired by millions of people throughout the world. As Mikhail Sergeyevich Gorbachev stressed in his speech to the National Assembly of the People's Government in April of last year, your road has not been a bed of roses. You have had to develop under difficult conditions with your tools for work in one hand and with weapons in the other. This and other aspects of Cuba's experience turns it into an original and important part of the world's experience in the construction of socialism.

Soviet-Cuban relations are based on the principle of equality. They are distinguished by mutual respect, the understanding of each other's actual possibilities, and the feeling of internationalist responsibility and mutual assistance. A very important element of the dynamic relations between our countries is the fraternal cooperation between the CPSU and the Communist Party of Cuba [PCC]. The things the USSR and Cuba, two countries that have such different potentials, have achieved in 30 years of cooperation are the product of joint efforts.

Trade is almost 9 billion rubles. Hundreds of plants have been constructed, many of them sui generis. There are thousands of workers, employees, and students who have attended the school of experience and cooperation. The energy installations, the mining-metallurgy plants, and electronic, medical, and biotechnology industries place Cuba among the countries that have a harmoniously developed economy.

The USSR supplies Cuba with close to 700 different products, including oil and its byproducts, machinery and equipment, grains, metals, lumber, and fertilizers. In turn, Cuba holds sixth place among its foreign trade partners. More than 30 percent of the sugar consumed in our country, a large portion of citrus products, concentrations of non-ferrous metals, and other products come from Cuba. The natural conditions and the economic structure created in both countries allows them to complement each other based on division of labor. Soviet-Cuban ties are supported by enormous potentials that must be preserved and multiplied. Life does not stop and new requirements are necessary for quality in cooperation. That is why we feel the task of making our ties more efficient and productive is so important. Soviet and Cuban specialists are actively working on this and on improving scientific-technical cooperation.

The treaty of friendship and cooperation between our countries, signed a year ago by Mikhail Sergeyevich Gorbachev and Fidel Castro, defines the principle methods for successive joint tasks. The results of the 20th session of the USSR-Cuba Intergovernmental Commission for economic and scientific-technical cooperation, held recently in Havana, contributes to strengthening our traditional ties. We view with optimism the future of our relations for which all the premises exist for their successful development. Our people are united by frank and reciprocal sympathy and genuine human interest in the tasks and concerns of both countries. That is the principal achievement and guarantee for advancement. The Soviets highly value this friendship.

Cuba is small, but its hand is firm, secure, and above all, irreplaceable in times of need. Our Cuban friends were among the first to respond to the Armenia tragedy, sending the victims their most precious product—their own blood. When the (Vasquiria) accident occurred, Cuban doctors sent Soviet hospitals the best medications in the world which helped to save many lives. We have been profoundly moved by the generosity of the Cubans in inviting to Havana Soviet combatants who were seriously injured in Afghanistan and creating the conditions to provide highly skilled treatment to thousands of children affected by the Chernobyl tragedy. Thank you, dear comrades. Thank you all Cubans who have given and are giving part of their soul in this noble effort. It is said that the frankness and solidness of a relationship is proven in times of tragedy and that popular saying is clearly captured in Soviet-Cuban friendship.

Dear friends, only the people have the right to determine the social and political direction of their country and to decide the criteria for its development. Other states are obligated to respect that option.

We have not forgotten our history or the incredible changes that have occurred in our country during the years of Soviet power. Nevertheless, it would be naive to think that many of the problems we face today can be resolved through resources and methods that seemed adequate decades ago. In transforming the image of our society, based on dialectic reappraisal of the past and the present, we are trying to impart socialism with a democratic and humane nature. Our difficulties come from the fact that socialist principles became deformed. The democratic and humane spirit, the priority of the universal values of man, and the notion that this is the supreme objective of progress, as presented in Lenin's brilliant concepts for progressing toward socialism, were eliminated. During this crucial time in our history, our point of reference, as always, is Lenin. Supporting ourselves with every immortal aspect of Vladimir Ilich's legacy and equipped with contemporary knowledge, we seek a response to the problems and challenges of our time.

In progressing along the road of radical transformations, we are constructing a society that can be a source of pride, that has an immense power of attraction, and that inspires respect. To break with structures and concepts that have become glorified is an exceptional process and we do not hide the fact that its development has been complex. Singular problems have arisen in our country, in the economy, and in relations between nations, but we are looking for a way out of the crisis. The meaning of perestroyka is embodied in the harmonizing of different interests, insuring the active participation of all Soviets in the life of the society, and in the new approaches taken toward improving it. We are not frightened by the difficulties. Our people have initiated more than one enterprise and we also will now fulfill this mission. These new conditions create singular demands from the communist party, whose role as vanguard calls on it to guarantee democratic changes and consolidation based on concordance and law. Much has been done in this regard but more remains to be done in preparing for the 28th CPSU Congress and during the congress itself.

We are not imposing our model on anyone. We follow with immense interest the reforms taking place in other countries and Cuba's rectification process, aimed at solving the existing problems based on methods that are convenient for Cuba. The freedom to choose is a universal principle and there should be no exceptions. Diverse and multiple alternatives for the social development of states allows for coexistance in the spirit of a good-neighbor policy and respect.

In this context, the attempts of some states to give democracy lessons to those around them evokes our condemnation. With words, they declare their loyalty to the principles of noninterference while in reality, they send troops to other countries to overthrow governments that do not benefit them. We believe that a country as powerful as the United States of America should genuinely respect the freedom of other peoples, including Cuba, to choose their own method of development. We would like relations between the two neighbor countries to be good. In return, relations between the United States and Cuba, based on a good-neighbor policy, would be a notable contribution to the process of improving the climate in the region and the entire world.

Our view of international order consists of strengthening mutual understanding between the peoples, searching for new forms of cooperation, and not bringing ideological differences to interstate relations. The process of development and the progress of history itself have brought the highest human values to the top of the list of political priorities.

In regard to foreign policy, it is not a coincidence that we link peace with international economic security and disarmament with development. The arms race not only maintains the peoples in a constant state of fear, it also plagues humanity with the useless waste of resources, contaminates and destroys the environment, and leads to the depletion of economic resources.

Many words have been used to try to demonstrate that the foreign debt, unprecedented in Latin America, is the

result of the oil crisis, a tendency toward a consumer market, imports, poor economic management, corruption, etc.. The foreign debt today is strangling practically all Latin American countries, large and small, those who live in abundance and those who live in the limits of poverty. The people of the countries in this continent realize that the solution to the debt problem is only possible with international efforts. Everyone should participate in creating solutions to this. We express our solidarity with Cuba and other Latin American and developing countries in the sense that the norms that prevail in world economic relations, far from being the ideals of justice, should be eliminated.

Dear friends, there is nothing more costly for any people than peace. Perhaps its inestimable value cannot be better perceived by anyone but the Soviets, who lost millions of lives in the last war. Humanity now celebrates the 45th anniversary of the victory over fascism. Time inexorably erases more each time the image of that total war. The wounds on this earth caused by the trenches were healed a long time ago and the countless tombs of those who were prematurely deprived of their lives have been incorporated into the countryside. Our memories will always remember the feats of the crews of the Manzanillo, Mambi, and Cuba carriers who fell victim to the Nazi submarines, as well as the Cuban volunteers, Enrique Vilar and Aldo Vivo, who were combatants of the Red Army. No one wants to return to the past but one can still hear the echoes of history, whose most tragic lesson is that now, as never before, we all need peace and mutual comprehension.

Cuban national poet Nicolas Guillen said that our friendship is profoundly rooted in the spirit of the Soviet and Cuban peoples. In reality, that is the way it is.

On 8 May 1960, we wrote a new page in the history of our relations. The years that have passed since then have been characterized not just by fraternal solidarity, but also by getting to know each other. The most extensive human contacts were developed, as well as the knowledge of traditions, culture, and people's creativity. Alejo Carpentier, Juan Marinelo, Santiago Alvarez, Alicia Alonso, Antonio Quintana, and many other notable representatives of Cuban culture are well known in the USSR. The Soviet people follow with friendly interest and good will the construction of a socialist society in Cuba, the consolidation of its political-moral unity, and an increase in the well-being of the people. No matter what problems we must resolve, we will continue to strengthen Soviet-Cuban friendship and consequently intensify bilateral cooperation.

We wish you, beloved comrades, success in the fulfillment of your social and economic development plans. Congratulations, peace, and prosperity to the brother Cuban people. [applause]

Soviet Delegates Assess Anniversary Visit

FL1105031290 Havana Tele Rebelde Network in Spanish 1700 GMT 10 May 90

[All Soviets speak in Russian with simultaneous Spanish translation]

[Text] The Soviet parliamentary delegation that attended the celebration of the 30th anniversary of the resumption of diplomatic relations between the Soviet Union and Cuba departed our country for the USSR last night.

Army General Raul Castro, second secretary of the Communist Party of Cuba, bid farewell to the Soviet visitors headed by Oleg Baklanov, secretary of the CPSU. The Soviet delegation toured four Cuban provinces during its six day visit and held talks with the highest Cuban leaders. The farewell ceremony also turned into an expression of the deep friendship that exists between the Soviet and Cuban people. This deep friendship was made evident by the statements made by members of the Soviet delegation to the press a few minutes before their departure:

[Begin recording] [Unidentified reporter in Spanish with simultaneous translation into Russian] In your opinion, what is the main result of your visit to Cuba?

[Baklanov] We believe that our visit is a continuation of the basis established by Comrades Mikhail Gorbachev and Fidel Castro during their meeting here last year. We are representatives of the recently elected USSR Supreme Soviet. In our opinion, we have succeeded in establishing very good and warm contacts with your parliamentarians, leaders, and people. We have seen many things here and we are leaving here with a stronger feeling of friendship for Cuba thanks to the cordiality we experienced during our visit to your beautiful country.

[Reporter] I have a second question. How is the assessment of the platform program for the upcoming CPSU Congress coming along?

[Baklanov] I do not wish to answer all the questions. I would like another member of the delegation to answer this question. Comrade Valentina Tereshkova go ahead.

[Tereshkova] At present, there are extended and active discussions regarding all the documents containing the points stated by the people. We are discussing the platform to issue new statutes. Obviously, during the discussions many specific proposals and critical observations are raised. Many communists wonder why these documents contain more questions than answers. A Central Committee commission is working on and summarizing all those proposals. All the proposals will be considered and the final draft of the platform document will be presented and discussed during the CPSU Congress.

I wish to stress that we are very interested in turning these documents into a true program that should be approved as our party's platform during the 28th CPSU Congress.

[Reporter] Thank you very much.

[Soviet delegation member Konstantin Frolov] As for our contacts, this is the third time I have visited Cuba. I am under the strong impression that scientific research develops very quickly in Cuba. Today, I attended an international congress on chemistry in which its participants discussed protection against corrosion. Approximately 26 countries are participating in that congress. Many important scientists are taking part in this congress. It is important to stress that Cuba is considered a scientific center. Cuba offers very special research conditions because of its tropical weather among other things.

As for medical research, today I visited a center for the use of lazer rays. This is as advanced as the 5,000-year Chinese experience in acupuncture. Instead of acupuncture, Cuba uses lazer rays. Incurable diseases are treated with this method.

We are conducting a series of investigations to use the Soviet technological and scientific achievements in Cuba very soon. We have succeeded in this as a result of my visits to Cuba, because our ambassador here is always very interested in all these things and keeps asking me whether I am here to enjoy the ocean and the sun. I want to tell you that we have a large program with Cuba and the main scientists of the USSR Science Academy and of its branches in Siberia and the Ural Mountains are participating in that program. We will continue developing this type of program.

[Soviet delegation member Vladimir Utkin] Unlike Comrade Frolov, this is the first time I have visited Cuba. We visited a center for the production of ecologically clean energy. I am talking about solar and aeolian energy. In our opinion, that is a good type of development. We have seen the initiation of a new, promising, and very interesting form of production. This will definitely benefit Cuban economy.

Today we met with our ambassador here and we discussed the possibilities of installing a plant for the utilization of the wind energy. This plant could produce up to 150 kilo watts. We would have to see how such plant will work in Cuba.

[Soviet delegation member Isak Kashbashev] This is the first time I have come to Cuba. I have seen the Cuba of Jose Marti and the Cuba of Fidel Castro. During these few days, when we met with the representatives of a people who love freedom and met with construction workers and party workers, I have confirmed with my own eyes that this people will continue being revolutionary and that it will reaffirm its revolution. The Cuban people are not alone.

In a historically brief period of time, my doctor colleagues conducted a true revolution here. In brief, Cuban medical development is really a development of the 21st century and I wish good health to all Cubans and all Cuban doctors.

[Raul Castro] I do not want to add anything else to what has been said. I agree with everything that has been said by our Soviet friends. Perhaps we should ask Juan Escalona, president of the Cuban National Assembly of the People's Power [ANPP], to make some statements since this is a delegation of Soviet parliamentarians headed by CPSU Secretary Comrade Oleg Baklanov. So ask one question to ANPP President Escalona.

[Juan Escalona, president of the ANPP] Very few times have I felt so much satisfaction than during this visit of this parliamentary delegation. We relived past experiences and we have felt more communist and revolutionary than ever next to them. They are a truly wonderful group. A while ago, FAR Minister Raul Castro said that we had to congratulate not only these marvelous Soviet men, who prove that Soviet socialism as ours will continue to advance, but also those who have chosen the members of this wonderful delegation.

We worked very hard everyday. We work with the spirit of our contingents. Comrade Baklanov is tireless. He wants to see everything. He wants to know everything. I think he has seen a lot of Cuba. He even swam in Caribbean waters off the coast of Santiago, Cuba, which we had to do at 1930, because we had no time for anything there. We visited many interesting production plants, a sugarcane mill, and other things there. I am truly pleased with this visit. [end recording]

UN's Garba Condemns 'Destabilizing Actions'

FL1105013990 Havana Radio Rebelde Network in Spanish 2304 GMT 10 May 90

[Text] Joseph Garba, president of the UN General Assembly, today condemned all attempts conducted by any country to try to destabilize another country or become a threat to another UN member state's internal peace and stability.

In statements to the press regarding the imperialist maneuvers conducted in the region and the defense measures adopted by Cuba, Garba stated that as acting president of the UN General Assembly and therefore as a representative of the opinion of most of its member states, he condemns all destabilizing actions. Garba said: This last year, many attempts have been made and some of them have been truly serious. Garba said that those who threaten Cuba or those who conduct actions affecting Cuban stability should be aware that they will be unsuccessful in the long run.

Garba stressed that the United Nations has many ways to solve conflicts among states and that there is no need to be extremely educated to realize that the cannon

diplomacy is long outdated. Garba said: Those who have not learned this lesson will regret it.

In statements to local and foreign newsmen at the end of his visit to the Isle of Youth, Joseph Garba stressed Cuban cooperation in Africa.

Minister Melendez Addresses ECLA Meeting

FL1105023990 Havana Radio Rebelde Network in Spanish 2328 GMT 10 May 90

[Text] Today, Cuba assured Latin America and the Caribbean that Cuba will never be an obstacle for any plans of Latin American integration. Ernesto Melendez, minister president of the Cuban State Committee for Economic Cooperation, said that our country has political resolve and willingness to join the process of Latin American unity.

Today, Melendez spoke before the 23d session of the Economic Commission for Latin American and the Caribbean, ECLA, which is taking place in Caracas.

Melendez stressed: We will not be an obstacle. On the contrary, we will give all our support to any unity effort. Melendez spoke about Latin American unity, the foreign debt, and other economic issues, but also reiterated the Cuban accusations against the United States.

The Cuban minister said: In Cuba, which has a different social system, people are fully aware of the need to unite Latin America. There is also full political resolve to promote unity. We are willing to join that process. There is no future for our peoples if they remain isolated.

Batista Says Citizens Need More 'Rest Time'

FL1105020390 Havana Radio Rebelde Network in Spanish 2305 GMT 10 May 90

[Text] In Bayamo today, Division General Sixto Batista Santana, alternate member of the Communist Party of Cuba [PCC] Central Committee Politburo and national coordinator of the Committees for the Defense of the Revolution [CDR], insisted on the need to effectively guarantee the greatest possible amount of rest time for the citizens.

At the beginning of a several day tour through Granma Province, Batista Santana talked with CDR provincial leaders and with Roberto Damian Alfonso, member of the PCC Central Committee and first secretary of the PCC in Granma Province.

Batista said that during the assessment of the convocation to the 4th PCC Congress, its delegates should insist on proposing measures leading to reduce any measures leading to the disruption of so-called free time. Sixto Batista stated that there are still many unnecessary, badly prepared, and extremely long ceremonies, meetings, and checkups [chequeos], which take up time from the attention that should be given to essential matters thus creating malaise among the citizens.

Sixto Batista also mentioned the participation of CDR leaders in tasks, commissions, workshops, roundtables, and other activities that have nothing to do with their jobs and that are conducted to distribute the work of those who are truly responsible for those tasks.

Batista urged people to concentrate the CDR's efforts in the 24-hour defense of the revolution; in political and ideological tasks; blood donations; the recovery of raw material; and the support for economic tasks.

Comparison to Betancourt Comments on Maneuvers

WA1005123090

Havana Tele Rebelde in Spanish at 1141 GMT on 8 May carries a report on statements to the press by Brigadier General Urbelino Betancourt, first deputy chief of the Revolutionary Armed Forces General Staff, on 7 May. The Havana Tele Rebelde report has been compared with the Havana Television Service version published in the 8 May Latin America DAILY REPORT, page 3, revealing the following variations:

Column one, paragraph one, sentence one reads: [Text] Every time the U.S. Armed Forces conduct maneuvers in the Caribbean and near the Atlantic, Cuba is threatened. This gives the enemy a better position to act against us. I would like to make clear that even when there are no maneuvers—because of the closeness and their capabilities: the forces the United States has near Florida, the aircraft carriers that usually sail in the area—a surprise attack against our country is always possible. This is why we have to be prepared for it.

On this occasion, the United States... (adding material)

Column one, paragraph three, sentence one reads: I believe the experience of these years, life itself, tells us that every time maneuvers are conducted is a time in which the U.S. Armed Forces prepare to better launch an attack against any country, in this case our country. Cuba is currently a visible enemy... (adding material)

Column one, paragraph four, from sentence three, reads: ... fulfilled satisfactorily up until now. We have been able to confirm what has been done, the good results within the framework of the defense of our fatherland.

The first part or first stage of this maneuver has been fulfilled. We could say that almost all of the leadership organs have participated in them. Thousands of small units chiefs have gone to the field, have directed the missions. A large number of combatants, regular and militia troops, as well as the population organized in Production and Defense Brigades, have carried out various activities. [new paragraph]

I can say that thousands of combat resources, thousands of pieces of military equipment, have participated in this stage [words indistinct] ships, antiaircraft artillery, [words indistinct] mortars. Thousands, some thousands. I cannot say exactly how many. I would have to [words indistinct] the end of the maneuver. Hundreds of [words

indistinct] ground troops of the Navy, antiaircraft defense, and Air Force. We call a (?medium-sized) unit battalion or equivalent group. [new paragraph]

Among the most important activities carried out in this stage is the movement of large units. They went to various regions to conduct the maneuver. There were maneuvers on wheels, in the case of vehicles with wheels, or on tracks, such as tank and firing maneuvers. The maneuvers that have practiced their shooting have yielded good results in general. The command posts, as you said in the last part of the question, have organized communications, have been able to exchange commands. They have organized elements of cooperation and have worked on the organization of combat equipment, in practice with the participating troops, and in theory within the framework of the General Staffs whose troops have not participated. [new paragraph]

I want to say that we have attempted to have a minimal effect on the economy, considering the current situation. The number of mobilized reservists capable of guaranteeing the forces has been kept to the minimum. We could say that Saturday and Sunday were two defense days held early. According to the initial information—this was yesterday and the day before yesterday—over 500,000 militia troops participated in these Saturday and Sunday defense days, on 5 and 6 May. A similar number of combatants trained for various activities has also participated in training activities. That is, about half a million.

In other words, we are not free... (adding material and rewording)

Column two, first incomplete paragraph, from last sentence reads: ...which are dangerous. A number of sniper shooting exercises have also been conducted. We have held night exercises, as I said, including Air Force and Navy attacks. (adding material)

Column two, paragraph one, from sentence four reads: ... depend on the situation in the region when the U.S. Armed Forces return to normal.

I could add... (adding material)

Column two, paragraph one, from last sentence reads: ...country's defensive resources. The essential thing is to continue participating and training more in the activities that are organized for defense preparedness, especially during defense days.

I believe that within the general framework of troops and forces, we have to work more on camouflage, we have to improve the living conditions of personnel—this is very important—so the staff can improve the conditions of technical equipment. At the same time, I believe we need to continue making efforts to carry out night combat. According to the latest experiences—the last one being in Panama—attacks have taken place at night. The enemy has strong resources for acting at night and we have to be better at night combat.

One thing is clear. The order given by the commander in chief to the General Staff—in his own words—is that we have to avoid being surprised. He prefers that we mobilize and prepare 100 times instead of being surprised once. (adding material)

Antigua and Barbuda

Cochrane Replaces Works Minister Vere Bird Jr.

FL1005223090 Bridgetown CANA in English 2126 GMT 10 May 90

[Text] St. John's, Antigua, May 10, CANA—Antigua and Barbuda's minister of communications and works, Vere Bird Jr., has been replaced. A government statement said that the governor general, acting on the advice of Prime Minister Vere Bird Sr., revoked the appointment effective April 30.

The move came amidst a probe of a transshipment of Israeli arms through Antigua that ended up in the hands of Colombian drug traffickers. Vere Bird Jr., who advises his father, the prime minister, on security matters, was linked to the shipment by a diplomatic note from Israel, but he had denied involvement. Bird Jr. had asked leave of office pending the investigation of the arms scandal.

The office of the prime minister announced on Thursday that minister without portfolio in the Ministry of Public Utilities and Aviation, Eustace Cochrane, is the new communications and works minister. The appointment is effective May 1.

Senior government officials here said the revocation of Bird Jr.'s appointment was pending the outcome of the judicial inquiry into the controversial 1989 arms shipment. They said they expected Bird Jr. to get another ministerial post if the inquiry clears him of wrong-doing.

The prime minister's office said: "It is hereby published for general information that his excellency the governor general, (Sir Wilfred Jacobs), acting in accordance with the advice of the prime minister, has revoked the instrument of appointment, dated the eighth day of August 1989, of the Honourable Vere Cornwall Bird Jr. as a minister with effect from the 30th day of April, 1990....

"It is hereby published for general information that his excellency the governor general, acting in accordance with the advice of the prime minister, has appointed Eustace Cochrane to be minister of public works and communications with effect from the first day of May 1990."

Meanwhile, a British queen's counsel heading the commission of inquiry into the arms scandal, Louis Blomcooper, is due here Friday. Among the first persons he will meet are attorney general and Legal Affairs Minister Keith Forde and the governor general.

A delegation Antigua sent to Israel Tuesday to investigate how the Israeli weapons sold to the island's security

forces reached a Colombian drug baron questioned an Israeli who allegedly trained hitmen for the drug cartel. The Antiguan delegation interviewed the shadowy Yair Klein who is under investigation in Israel for alleged military training of Colombian drug dealers. Klein had said some of the 500 Israeli-made assault rifles, machine guns, and ammunition were destined for Panamanian opposition forces he was to train in Antigua.

The Colombian Government had complained to Antigua that the arms transshipped from the island had been found on the estate of drug lord Gonzalo Rodriguez Gacha, killed by Colombian police last year. Israeli officials handed the Antiguan delegation documents showing that the sale was made legally to the island's security forces. But the Antigua Government says it did not order the arms. On Thursday, the Colombian Government said it was checking whether a senior Antiguan official was present when the arms diverted from the Caribbean island to the drug traffickers were unloaded.

Diva Rojas, a spokeswoman for the administrative department of security, confirmed the accuracy of a report in the Colombian newspaper EL TIEMPO that disclosed initial results of a police probe into how the arms ended up in the hands of the drug dealers.

Barbados

Prime Minister Sandiford Visits China

WA1105122090

For PRC coverage of Prime Minister Lloyd Erskine Sandiford's visit to China, see the International section of the 10 May and subsequent issues of the China DAILY REPORT

Dominican Republic

Communists Urge People To Abstain From Voting

FL1005184090 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 10 May 90

[Text] Eight Marxist-Leninist organizations have urged the Dominican people to abstain from voting in the upcoming 16 May elections. The political organizations making this call are: Dominican Worker's Party, Dominican Communist Party, 24 April, Dominican People's Movement, United Left, Anti-Imperialist Patriotic Union, Militants Network for People's Power, and the Resistance Front for the People's Liberation.

Speaking on behalf of the left-wing organizations during a news conference held at the Napolitano Hotel, Mr. Fidelio Destradel justified this position arguing that none of the presidential candidates with possibilities of winning the next elections are capable of solving the problems affecting the Dominican people.

Appearing with Destradel were communist leaders Narciso Isa Conde, Ivan Rodriguez, (Ignacio Rodriguez Giapini), Ramon Godoy, Miguel Mejias, and Ramon Cordero.

Haiti

Trouillot Confident of Holding Elections

FL1005173690 Port-au-Prince Radio Metropole in French 1600 GMT 9 May 90

[Text] Haitian President Ertha Pascal Trouillot granted AFP an interview Wednesday, 9 May. In this interview, the president expressed her firm conviction that there will indeed be general elections in Haiti, as well as the hope that they will be held by September at the latest. Nevertheless, Mrs. Trouillot said it is up to the Provisional Electoral Council [CEP], which is in charge of organizing the elections, to set the dates for the election calendar.

Asked about the fears expressed by certain observers in view of the difficulties being encountered in setting the CEP in place, Mrs. Trouillot affirmed that the cape of anxieties has been rounded and that the CEP is going to be able to begin its work.

Furthermore, the president categorically denied that she feared for her safety or that of her daughter, as THE WASHINGTON POST of 7 May gave to understand. Referring to a conversation she allegedly had with Alvin Adams, U.S. ambassador in Port-au-Prince, THE WASHINGTON POST said the president had asked the ambassador who was going to protect her and her family from their enemies.

Mrs. Trouillot said: I wonder where that report comes from? She added that she thought it was a destabilization tactic coming from a pressure group. She did not identify the pressure group. The president stressed that she has very good relations with the Army. During a visit she made to the Armed Forces General Headquarters last Monday [7 May], the Army reiterated to her once again its determination to collaborate so that proper elections can be held.

The president also said that the security necessary for credible elections to take place in a climate of peace and order will be guaranteed, and that elections will take place normally. Mrs. Trouillot said, furthermore, that the institutionalized corruption that has infiltrated the very foundations of the [public] administration constitutes one of the challenges to be surmounted. If we want to see the nation prosper, we must cut short all those things that contribute to destabilization, such as contraband and the waste of public funds—said the president, who added that all the state's coffers are empty.

Mrs. Trouillot also said she was concerned with reestablishing justice for all and is willing to slave away at consolidating the powers of the Justice Ministry. She pointed out the need in that domain for sincere, close

collaboration by the police forces in carrying out the orders emanating from the judiciary—which has not always been the case, recently.

The president, who recently paid a surprise visit to the general hospital in Port-au-Prince because she wanted to touch the wound with her own finger, said she had been shocked by the state of insalubrity prevailing there, which defies the most elementary rules of hygiene. Last, she said that one of her main tasks consists of lowering the cost of living, which according to banking sources has risen by 20 percent over the past three months. Mrs. Trouillot said: I have instructed the minister of commerce to act forcefully and quickly to bring the products of prime necessity down to a level where people of modest means can afford them. We ran up against forces opposing this. However, these forces will be reduced to impotence by our vigor and our determination to succeed.

We point out that the ministers of commerce and finance have held a joint press conference. We will discuss this news conference later on in this newscast.

Mrs. Trouillot stressed that she was aware of the enormity of the task awaiting her before she accepted the burden, especially since she is admittedly not used to politics. One has to be able to display firmness, wisdom, and goodwill—said the president. However, the country must be lifted up out of the state into which it has fallen. What would become of this country if everyone were to turn his back on it?

Those were statements by Mrs. Trouillot to AFP.

Goutier Says Country's Finances 'Critical'

FL1105022790 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 10 May 90

[Excerpts] [First announcer] The Ministry of Finance has a 104 million gourde deficit created under General Prosper Avril's government. The new team wants to implement a new policy.

[Second announcer] Economy and Finance Minister Leslie Goutier and Commerce and Industry Minister Maurice Lafortune said their ministries' big concerns are implementing a policy of transparency, eliminating crooked wheeling and dealing, and eliminating contraband.

Minister Goutier said the nation's financial situation is extremely critical. He said they came into office to find the nation's coffers pillaged, with deficits of 50 million gourdes for the month of January, 20 million gourdes for February, and 34 million gourdes for March. [passage omitted]

The first thing that was implemented, and which is continuing, is a clean up by cutting off all zombi checks [checks paid out to nonexistent employees or to alleged employees that perform no service for the money], and eliminating all unnecessary expenditures in Haiti. The finance minister says this has begun yielding good results because they were three million gourdes in the black for the month of April. Teams from the Ministries of Finance and Commerce, the Tax Office, and the General Customs Administration made a big effort to collect these funds. [passage omitted]

Is the Interior Ministry and the Haitian Army going to get paid, given this move to reduce expenditures? The finance minister said all sectors would be paid because they expect to be able to reduce expenses by 65 million gourdes over the next six months.

Regarding the trip the minister made overseas to negotiate with aid givers, to see what they would give Haiti, the aid providing countries said they were ready to finance. The Haitian Government, however, had to present projects for them to finance. Because the Haitian Government did not have any projects, nor did they find any projects upon taking office they had to come back to Haiti to plan. The U.S. Congress is currently, however, discussing a certain amount of money for Haiti. The Finance Ministry, however, already knows that the United States is going to give Haiti about $3 million for the elections. [passage omitted]

The journalists felt obliged to ask the minister if the money in question was really going to go into his pocket? The minister said that was just a manner of speaking, that he meant the money would be going into the nation's pockets and not, literally, into his own.

Because a policy of transparency is being advocated, the journalists were obliged to ask the ministers present how much money they were making, and how much money the president is making. It was not easy to obtain an answer to this question. After much tugging, Commerce Minister Maurice Lafortune declared the ministers made $4,200. He said, however, that if you want to know how much the president makes, go ask her. Minister Goutier feels the amount of money they make is nowhere near enough, considering the work they are doing.

Regarding the shutting down of Minoterie d'Haiti [the national flour mill] and the firing of the Minoterie's brand new director, Pierre Leger, the minister said the reasons are stated in the communique that has been issued. The communique says the Minoterie has been closed for restructuring; and because Leger was a provisional director, he falls within the restructuring. [passage omitted]

We must tell you that the purpose of the ministers' news conference was to answer Gerard Allen, director of JOURNAL DU COMMERCE, who wrote an article that proved that there was contraband going on in Haiti. This article was much argued over at the beginning of the news conference.

Commerce Minister Optimistic at News Conference

FL1005180590 Port-au-Prince Radio Metropole in French 1600 GMT 9 May 90

[Excerpts] The ministers of commerce and of finance held a news conference this morning to discuss Haiti's economy. Rothschild?

[Reporter Rothschild] Hope for the Haitian economy is perhaps not lost. Finance Minister Leslie Goutier is confident. He announced that the efforts made by the Trouillot government are beginning to yield encouraging results. According to Goutier, the public treasury was 3 million gourdes in the black for the month of April. Thus, there has been a reduction in the budget deficit. The budget was 104 million gourdes for the months of January, February, and March—says Finance Minister Goutier. [passage omitted]

Asked about the situation at Minoterie d'Haiti [the national flour mill], Goutier said that the government has closed the plant for restructuring with a view to making the Minoterie more productive. He announced officially this morning that Minoterie director Pierre Leger has been fired. [passage omitted]

Asked about the high cost of the U.S. dollar on the local market, Minister Goutier announced to the public a reduction in the budget deficit taking place now will very soon contribute to mitigating this problem. However, the finance minister thinks a true economic plan is needed in order to redress the situation. [passage omitted] Goutier announced that a budget of 65 million gourdes will be prepared for the next six months.

The minister of commerce, for his part, announced that other measures will soon be taken concerning commercial activities in Haiti. [passage omitted]

EDH, Teleco Workers Strike in Capital, Jeremie

FL1005181590 Port-au-Prince Radio Nationale in Creole 1300 GMT 10 May 90

[Excerpts] After Port-au-Prince, where the employees of Electricite d'Haiti [EDH, the national electric company] are on strike for better working conditions and to have their demands be satisfied, we have learned that in the Department of the Grande Anse too—more specifically, in the town of Jeremie—EDH employees stopped working yesterday morning. The demands are the same as those of Port-au-Prince EDH employees. [passage omitted]

[Jeremie correspondent Luckner Laguerre] [passage omitted] The Jeremie EDH employees told the press that they had stopped working to obtain the wage increases they had asked EDH authorities in Port-au-Prince for some eight months ago. It seems EDH authorities never took the necessary action. The Jeremie EDH employees are also asking for better working conditions. [passage omitted] They say they will remain on strike if their demands are not satisfied.

Teleco [Telecommunications d'Haiti, the national telephone company] employees also stopped working yesterday morning. They also stopped because they want a raise. [passage omitted]

This is Luckner Laguerre, National Haitian Radio, Jeremie.

EDH Union Outlines Reasons for Strike

FL1105002490 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 10 May 90

[Excerpt] [passage omitted] A note from the EDH [Electricite d'Haiti, the national electric company] employees union says that because of the maneuvers of the administration and of the minister of public works, transport, and communications, the union is obliged to call a one-week strike in all EDH units. This strike began yesterday morning [9 May] at the Joseph Janvier Street facility, and will take place in both the capital and provincial towns.

In the note they sent the Ministry of Social Affairs giving the reason for the strike beginning yesterday at EDH, they ask for the retirement of the general director, an increase in wages, and a policy of concerted redress, so that the company can function properly.

EDH employees in Les Cayes also stopped work, Tuesday [8 May], to demand wage increases. [passage omitted]

Salinas Cites Need To Join Economic Blocs

*PA1005191890 Mexico City Red Nacional
13 Imevision Television in Spanish 1300 GMT
4 May 90*

[Report by Jorge Tenorio on "exclusive" interview with President Carlos Salinas de Gortari by Imevision reporter Silvia Lemus; place and date not given—italized passages are recorded]

[Text] President Carlos Salinas de Gortari said in an interview granted to journalist Silvia Lemus that Mexico's main challenge in the international arena is establishing an economic inter-relation with the world while maintaining its national sovereignty. When discussing the changing world and the appearance of new blocs, the Mexican president said that Mexico has to join the new trade relationships with intelligence and talent.

[Salinas] *We want to strengthen trade relations, economic relations, to strengthen inter-commercial relations, but maintain our sovereignty because that means strengthening our culture.*

The president said that if Mexico and Latin America are not able to take part in the new blocs, the risk is that our economies will fail to grow as fast as required to satisfy the population's need.

[Salinas] *If we remain outside, Mexico could not grow at the five to six percent real rate that is required to generate more than 1 million jobs a year for our fellow citizens. By the same token, the fact that these blocs compete, allows us the opportunity to join in, and this is precisely the economic offensive I have under way.*

Carlos Salinas de Gortari, however, said that Mexico must reaffirm its nationalist vitality in order to take part in world events actively and not let international events make us passively be part of them.

[Salinas] *The people who lose their sense of nationality run the risk of losing their way and become confused with this changing process. This does not necessarily mean a nationalism used to isolate; it means a nationalism of confidence and having the capacity and possiblity to open up to the world and its changes with great vitality.*

During the interview, the president said the country changes in response to the changes to Mexican society and in turn, to the international community.

[Salinas] *It is a change that responds to our condition and that condition is inserted into the international situation. Thus there is a symbiosis between our needs and the needs of others. This is a basic moment for our country, but I am convinced of the Mexican talent, capacity, and will.*

When referring to his accomplishments in office, President Salinas de Gortari said that during his tours inside the country he has noticed great needs that force him to work harder, but said there is hope and optimism among Mexicans.

[Salinas] *I found things that greatly affected me. First of all the great needs, unacceptable shortages—this makes me work harder and convinces me that however much we move ahead there is still much to do and we cannot take shortcuts. At the same time, however, I find among my fellow citizens new hope and optimism, a brightness in their eyes that encourages me in the face of the enormous challenges that we have ahead.*

To summarize, the Mexican president said that the solidarity he has found among Mexicans encourages him to forge ahead.

PRC President Visit Scheduled 15-17 May

*PA1105031490 Mexico City NOTIMEX
in Spanish 0210 GMT 11 May 90*

[Text] Mexico City, 10 May (NOTIMEX)—Yang Shangkun, president of the People's Republic of China, will pay a state visit to Mexico 15-17 May, the Mexican Foreign Relations Secretariat announced today.

Yang Shangkun, who will be the first PRC chief of state to visit this country, is coming in response to an invitation by his Mexican counterpart, Carlos Salinas de Gortari, in keeping with the existing friendship betwen the two countries, the secretariat announced.

It stated that the Chinese president's visit will also confirm the political will of the two governments to strengthen bilateral relations. During the visit, the different cooperation mechanisms between the two nations will be reviewed.

During his stay in Mexico the Chinese president will meet with President Salinas de Gortari to identify areas of common interest that will strengthen the economic, cultural, and scientific-technical ties at levels in keeping with the political importance attached to Mexican-Chinese relations. Also, the mutual and complementary growth of their economies, in terms of Mexico's projection toward the Pacific basin, will also be analyzed.

The mixed economic and commercial cooperation mission will hold its seventh meeting on the occasion of Yang Shangkun's visit, which will permit a review of specific possibilities to implement new joint projects.

Chinese President Yang Shangkun will arrive in Mexico on 14 May accompanied by an official retinue, including the vice premier in charge of international affairs and officials engaged in economic and commercial cooperation.

Important Drug-Trafficking Leader Recaptured

*PA1105010890 Madrid EFE in Spanish
0110 GMT 8 May 90*

[Text] Mexico City, 7 May (EFE)—The Mexican Attorney General's Office reported today that Pedro Diaz Prada, considered southern Mexico's most important drug trafficker, was detained by federal agents.

Diaz Prada was sought by police since last year after he escaped from a Oaxaca jail while serving a 40-year term for the murder of a federal judge and other crimes.

A police spokesman, who did not specify the date of Diaz' arrest, said that Diaz Prada was arrested in the southern State of Oaxaca and transferred to the Attorney General's Office in Mexico City, where he will be turned over to the judicial branch today.

He also explained that the arrest was the result of investigations started after federal agents found and confiscated a five-ton shipment of cocaine in Oaxaca in November.

According to the official report, Pedro Diaz Prada is the southern equivalent of what Miguel Angel Felix Gallardo was in the north. Gallardo is serving a jail term in Mexico City for drug trafficking crimes and the 1985 murder of DEA agent Enrique Camarena.

Costa Rica

Calderon: U.S. Relations Will Be 'Respectful'

PA1005224190 San Jose Radio Reloj in Spanish 1257 GMT 10 May 90

[Text] Costa Rican President Rafael Angel Calderon has said his government's relations with the United States will be respectful, but said it does not mean we will always accept everything we are told. Democracy means being able to discuss differences and seek points of coincidence, therefore our relations with the United States will be aimed in that direction, Calderon said.

The fact that the United States is authorizing a disbursement of $80 million shows confidence in the measures his administration will adopt, Calderon said.

El Salvador

Cristiani Comments on Jesuits' Murder Case

PA1105040390 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 10 May 90

[Report by Milton Grimaldi]

[Text] President Alfredo Cristiani reiterated today that his government maintains the position that the case of the Jesuit priests must be resolved through judicial proceedings at the 4th Penal Court.

The president said this when asked for his opinion on Deputy Security Minister Inocente Orlando Montano's statement on the case of the Jesuit priests murdered on 16 November. Montano said that Colonel Guillermo Benavides is innocent in this case.

Cristiani said that he cannot pass judgment on this and that opinions, such as those of Colonel Montano and [words indistinct], only serve to complicate the legal procedure to determine what really happened.

The government is in favor of clear and honest judicial proceedings, the chief of state said.

[Begin recording] [Cristiani] We are not creating conditions to find anyone guilty or innocent. What we want are conditions free of speculation concerning the legal proceedings, and to let these proceedings produce a just verdict. All countries have legal proceedings. In spite of all the criticism which our judicial system may receive, it is still our judicial system, and we do not further or help it if we obstruct it with speculation.

[Unidentified reporter] You agree that there should be no speculation in this case. Do you want to stop speculation, especially when it comes from some military people or some political leaders?

[Cristiani] As I said when you asked about a statement by Colonel Ochoa, this country enjoys freedom of expression, and we cannot tell anyone that he cannot express his opinion. However, we appeal to all, not only to members of the cabinet, but also to people who insist on speculating publicly. Our appeal is to ask those who are speculating not to obstruct the case and, if they have information, to go to court instead and declare their willingness to make a statement to help the proceedings so that they may conclude satisfactorily.

All the people who are saying publicly that they have evidence to prove whether or not a person is guilty, should be aware that the proper place for giving this information is the Fourth Criminal Court. [end recording]

Cristiani also spoke about his meeting in Costa Rica with U.S. delegate [name indistinct]. He said that the two discussed Salvadoran-U.S. relations and the interest that the U.S. Congress has vested in the Jesuit cases.

[Begin recording] [Cristiani] He explained to me that the killing of the Jesuit priests is looming in the U.S. Congress, which is following the legal proceedings closely. We explained what has happened so far and also mentioned some cases of speculation. For example, there was a report about four cadets being taken out of the country. The report makes it appear as if this is a coverup effort, but the truth is that they left as part of a program initiated last August. I said that often it is not necessary to pay attention to speculation but rather to see what is happening. In this regard, we discussed the progress being made in the case of the Jesuits, and other matters, of course.

[Reporter] The report of the commission [words indistinct]. What has been the impact on your government? [Words indistinct].

[Cristiani] We have been trying to strengthen the administration of justice as part of a general platform. We have issued, in coordination with the Supreme Court of Justice, several programs and projects which have been approved. Others are being analyzed by the Supreme Court of Justice and the executive branch office in charge of analyzing that. The strengthening of the administration of justice is needed and we are working in that direction.

Regarding specific cases, the commission states in its report that it is just that, a report, but many people are viewing it as the final report on the case. The final report cannot be issued because the legal proceedings have not concluded. Those people may say that the case is stagnant but this is not true. The proceedings have continued. The 4th Penal Court continues to work on the case. Once the case is over, we will see the final results. [end recording]

Cristiani said that three cadets that had been summoned by the 4th Penal Court have already testified. Regarding the loss of the military academy's registry book, Cristiani said that the Armed Forces staff has already been ordered to investigate where the book's whereabouts.

Cadets To Return From Abroad

PA1005224690 San Salvador Canal Doce Television in Spanish 0300 GMT 9 May 90

[Text] On the Jesuit case, 4th Penal Court Judge Dr. Ricardo Zamorra reported today that he would initiate procedures to obtain testimony from the four cadets, who were on guard duty at the Captain General Gerardo Barrios Military Academy on the day of the murders, and who are currently out of the country. Judge Zamorra issued a statement saying that he has started procedures against nine military men accused of murdering six Jesuit priests and two UCA [Central American University] collaborators on 16 November 1989. He has sent a legal note to Colonel Ricardo Casanovas Sandoval, the mentioned military academy director, to report the whereabouts of cadets Cesar Moises Rivera, (Raul Galan Hernandez), Jose Wilfredo Aguilar, and (Eric Odmaro Granados) in the United States and Panama. Judge Zamorra added that he has also called Lieutenant Colonel Juan Vicente Irrizabal and Mayor Jose Roberto Zamorra to testify this week; both are members of the honor commission initially created by the Armed Forces to investigate the Jesuits' murder. The statement also reports that two additional civilians, also members of the honor commission, have been summoned, for the second time, to testify next week on the same case.

Ponce on Popular Support To 'Defeat Communism'

PA1005152890 San Salvador EL DIARIO DE HOY in Spanish 8 May 90 pp 2, 22

[Text] "With U.S. military aid or without it we will defeat communism!" Colonel Rene Emilio Ponce, chairman of the joint chiefs of staff, has declared.

"Communism will not triumph in El Salvador and although (the struggle) could become difficult, it will not be impossible to defeat them because the Salvadoran people reject [communism]," Ponce maintained during a ceremony to commemorate Soldiers' Day in San Miguel and La Union Departments. Ponce said that once again the people have expressed their support for the Armed Forces by attending the ceremony and honored soldiers who participated in the Soldiers' Day ceremony.

He also said, despite disinformation campaigns abroad, the Salvadoran people maintain their confidence in the Armed Forces.

Col. Ponce swore in about 200 volunteers who have reported to serve in the military service at Military Detachment No. 3 headed by Colonel Julio Cesar Grijalva and at the Armed Forces Military Training Center.

Ponce believes the presence of the volunteers illustrates Salvadoran support for the Armed Forces and their struggle against terrorism.

Ponce then traveled from La Union to San Miguel Department, where he led the ceremony to swear in a new company which will join those already present in eastern El Salvador working, during peaceful periods, in the "Let Us Reactivate the Eastern Region" programs.

In addition, several works were inaugurated, including a reception room with a painting of war hero Colonel Domingo Monterrosa Barrios, which is the name of the 3d Infantry Brigade.

Col. Ponce reiterated that the Armed Forces' enemies are taking advantage of an isolated event, as is the case of the Jesuits, to portray a negative image of the army, to discredit the government, and to justify the reduction in military aid to the country.

Ponce added that [communists] will not earn the people's support by "destroying the economy, killing civilians, and crippling children with criminal booby traps."

Regarding the presence of FMLN-FDR [Farabundo Marti National Liberation Front-Democratic Revolutionary Front] leaders who are holding news conferences in towns like Perquin, Col. Ponce said that they are taking advantage of the change of troops to enter the area, "but when the Army is back, they flee to Honduran mountains. We must not lend importance to them," he emphasized.

Meanwhile, Ferman Cienfuegos, speaking for the FMLN-FDR, said yesterday in Mexico that they have conditioned their participation in the "dialogue" with the Cristiani government on the fulfillment of certain demands. When these are met, the talks could be resumed, it has been reported.

The source added that the FMLN-FDR demands a purge in the Armed Forces, a trial against those involved in the killing of Mrsg. Romero, in the attack against Fenastras [Salvadoran Workers National Union Federation], those involved in the killing of the Jesuits, and a trial for those who killed Hector Oqueli Colindres. "Otherwise, there can be no dialogue because the influential military sector cannot be touched."

It has been learned that delegates from left-wing parties concluded a meeting last weekend with FMLN delegates and virtually supported the FMLN position. The only ones who disagreed were Dr. [Armando] Calderon Sol, and Guillermo Guevara Lacayo.

Salvadoran political sectors today expect an explanation from those who participated in the Mexico meeting.

Jorge Shafik Handal, Ferman Cienfuegos, Salvador Samayoa, Guadalupe Martinez, and Nidia Diaz represented the FMLN-FDR.

Honduras

Callejas, Venezuela's Perez Issue Declaration

PA1005212490 Tegucigalpa Voz de Honduras Network in Spanish 1645 GMT 10 May 90

[Report on joint declaration issued by President Rafael Callejas and Venezuelan President Carlos Andres Perez

at the conclusion of the Venezuelan president's state visit in Tegucigalpa on 10 May]

[Text] The two presidents maintained a lengthy exchange of views regarding various issues of common interest for the two countries, especially those pertaining to Latin America and the Caribbean. They also discussed the development of bilateral relations and the world's political and economic situation.

The presidents reaffirmed the support of their respective governments for the principles that regulate relations among states in keeping with international law, principles on which the peaceful and harmonious coexistence of the people is based.

They underscored that the democratic system guarantees the full exercise of liberty and human rights and that international peace and security are also based on respect for the states' sovereign rights, ideological pluralism, and the people's self-determination.

The joint declaration adds that during their talks, the presidents expressed their deep satisfaction for the existence of the democratic system in Latin America and other world regions. In this regard, they reaffirmed their solidarity with Latin American efforts to live within pluralist and genuinely democratic regimes. They specifically pointed out the significant improvement noticed in the political situation of Central America and the favorable atmosphere of understanding that prevails among the subregion's governments.

They emphasized the importance of the respect and promotion of human rights and condemned their violation wherever they occur. The presidents also decided to continue making efforts to strengthen international mechanisms that ensure strict compliance with these principles.

The joint declaration states that they expressed satisfaction with the trust and harmony that is emerging in the world and that is favored by the atmosphere of understanding among the large powers, and their optimism for the changes taking place in East Europe.

They expressed their conviction that this will facilitate a progressive decrease in the arms race, and consequently, a reduction in military expenditures, thus allowing the release of resources that can be targeted at improving the economic and social conditions of developing countries.

They also pointed out that this detente process has contributed to the solution of regional conflicts in various places around the world. In analyzing the global economic situation, the presidents underscored the need to strengthen South-South cooperation. The presidents believe that the strengthening of regional integration schemes must guarantee the integral development of Third World nations. Groups such as LAFTA [Latin American Free Trade Association], SELA [Latin American Economic System], CADESCA [Action Committee for the Economic and Social Development of Central America], SIECA [Secretariat of Central American Economic Integration], and BCIE [Central American Bank of Economic Integration] are irrefutable proof of the decisive contribution of Latin America to making feasible, and reaching, targeted goals. In this regard, President Perez conveyed, to President Callejas, Venezuela's interest in joining the BCIE.

Attention, we are reading part of the document containing some of the agreements signed here at the Presidency. More on the joint declaration:

The presidents said that the foreign debt problem and protectionist measures imposed by developed countries, which restrict the access of products to the international market, constitute obstacles to the economic growth of Latin America. They reaffirmed the Latin American position that the foreign debt poses a threat to the political, economic, and social stability of developing countries.

Inspired by the progress and consolidation of democracy in Central America, a process that should lead to the complete fulfillment of the values and aspirations of their peoples, the two presidents stated that it is urgent and imperative to strengthen regional institutions. In this regard, they called for a review and restructuring of the OAS and the entire inter-American system to ensure that they genuinely respond to the political, economic, and social needs of the American continent.

The joint declaration adds that in analyzing the political situation of Central America, President Perez reaffirmed his support for the region's peace plan, which represents the fruit of the efforts of Central American heads of state to reach a definitive and stable peace within democratic and participatory processes. He also expressed his satisfaction with the positive results of the Montelimar summit and urged the parties involved in the demobilization plan of the Nicaraguan Resistance to comply with the commitment acquired with the signing of the Toncontin agremeent.

The two presidents praised the efforts of the UN and OAS secretaries general in this process. During their talks, they admitted that Central American countries need economic assistance to revive their economies and consolidate their democratic processes. The two presidents underscored the importance of the UN special economic cooperation plan for Central America.

President Perez reaffirmed his commitment to continue supporting all initiatives, programs, and proposals carried out by the international community. He recalled a recent declaration by the Group of Three, made up of Colombia, Mexico, and Venezuela, to carry out concerted cooperation with Central America in the areas of education and culture, agriculture and livestock, health, energy, and the establishment of national centers for regional cooperation.

The joint declaration adds: In analyzing the development of bilateral relations it was concluded that this visit

is part of the commitment made by the two presidents to continue actions aimed at strengthening cooperation. In that sense, they established the basis to strengthen economic, commercial, financial, technical, and cultural links between the two countries.

The document says that the two presidents, in their desire to increase and broaden commercial ties, agreed to hold the first meeting of the Joint Commission established in the current partial scope agreement in the next 90 days to evaluate the functioning of that agreement and make better use of the preferential tariffs mentioned in the same agreement.

The two presidents, in their desire to develop effective reciprocal cooperation through the implementation of specific actions, decided to sign a cooperation and friendship agreement that will be the framework for a cooperation program to include activities in areas of mutual interest.

With the intention of strengthening ties in the energy and oil field, the two presidents decided to sign a scientific and technical cooperation agreement in the energy and mining fields, as proposed by President Callejas Romero.

President Perez expressed his desire to conduct studies with the Mexican [as heard] president to update the scope of the San Jose agreement in its economic and geographial aspects after 10 years of implementation.

The document also states: In the field of technical cooperation, the two presidents expressed their satisfaction with the benefits achieved in Honduras in the area of training and development of human resources through the implementation of the Program for the Caribbean and Central America, Proca, carried out by the Venezuelan Government.

The two presidents stressed the importance of environmental protection and agreed to establish bilateral cooperation to contribute to efforts in that direction.

In their efforts to eradicate the consumption and illegal trafficking of drugs and aware that this problem seriously affects the political, economic, and social stability of the international community, the two presidents signed an agreement on the prevention and control of drug consumption and the repression of the illegal trafficking of drugs and psychotropic substances. The mixed commission established in that agreement will meet in Honduras as soon as possible.

To contribute to a more fluid communication between representatives from the two governments, both presidents expressed their satisfaction over the signing of an agreement to eliminate the need for visas in diplomatic—official and special—and administrative [de servicio] passports from both countries.

President Perez invited President Callejas to visit Venezuela. President Callejas accepted the invitation with pleasure. It was agreed that the date for the visit will be determined through diplomatic channels.

At the end of the visit, President Carlos Andres Perez expressed to President Rafael Leonardo Callejas Romero his deep gratitude to the Honduran Government and people for the warm hospitality enjoyed by him and the members of his retinue.
Signed in Tegucigalpa on 10 May 1990.
Carlos Andres Perez, president of the Republic of Venezuela
Rafael Leonardo Callejas, president fo the Republic of Honduras.

Perez Holds News Conference

PA1105030290 Tegucigalpa Voz de Honduras Network in Spanish 1620 GMT 10 May 90

[News conference by Venezuelan President Carlos Andres Perez with local and foreign reporters at the Mirror Room of the Presidential House in Tegucigalpa—live]

[Text] [Moderator] Here is President Carlos Andres Perez.

[Perez] Good morning, journalist friends. I do not want to reduce the time for your questions so after presenting my respects, which are also extended to the Honduran people, I will now respond to your questions.

[Moderator] Please, Danilo Izaguirre from HMN [expansion unknown].

[Izaguirre] Mr. President, good morning. What is your opinion on the recovery of our territory in the area [words indistinct] and the [words indistinct] taken by the counterrevolution?

[Perez] He refers to the problem with [words indistinct], right?

[Moderator] [Words indistinct] could you repeat....

[Perez, interrupting] No, the first question refers to the dispute with El Salvador, right?

[Izaguirre] No, the first question is the recovery [words indistinct].

[Moderator] The question is about the withdrawal of the contras and the recovery of the...

[Perez, interrupting] [Words indistinct] Latin America rejoices because the contra problem has been resolved. The contras are surrendering their weapons in Nicaraguan territory, and only some war-disabled refugees remain here. These will be dealt with by the Honduran Government in accordance with international and Honduran laws. The problem has already been resolved.

[Moderator] Herman Reyes from ACAN-EFE.

[Reyes] Mr. President, what alternatives, or what is being offered to Cuba by Latin America so that Fidel

Castro will not have to confront a possible U.S. invasion alone or with radical means? Second question: Could you tell me, what will happen with Guatemala and El Salvador? War has not stopped in these countries and already the Central American presidents are stating that the next phase to be covered in their discussions refer to economic topics? The conflict has not ended politically in these countries.

[Perez] Regarding your first question, it is not only what is to be offered by Latin America to Cuba but also what Cuba offers Latin America. I have been very sincere and specific in expressing Venezuela's concern over the fact that the East-West conflict continues to predominate in Latin America due to the problems with Cuba, although it has been has been resolved at a global level with a detente that has been implemented by both superpowers in an extraordinary fashion. Talking will all sincerity, at this point the Cuban problem is no longer strategic for the United States. Cuba, as we all know, is part of Latin America and is located precisely in our Caribbean Sea. We have to attain a detente so that the Cuban Government and people can integrate fully into Latin American society. For this, we have to get the United States and Cuba to reach a level of detente. I have proposed that the OAS include, among its many commitments, efforts to attain this detente. At the same time, however, I have noted that it is necessary for positive signals to be given by both Washington and Havana for this dialogue to take place. When this stage is reached, the Cubans, the Cuban Government and the U.S. Government will have the floor. Latin Americans are willing to do everything in our power to help Cuba fully join its Latin American community. What was the second question?

[Reyes] Regarding El Salvador and Guatemala?

[Perez] The war is over. This is a categorical statement which is not the product of mere optimism. Talks for understanding, peace, and democracy will begin on 16 May in Caracas between the Farabundo Marti National Liberation Front [FMLN] and the Salvadoran Government.

Now that the East-West conflict is over, no one can imagine how this situation, which was spurred by the East-West conflict, could fail to come to an end.

The Salvadoran Government has the goodwill to be flexible and to open a broad road for the participation of FMLN militants in the political life of El Salvador. The guerrillas have the commitment to join El Salvador's political and democratic life.

The Salvadoran Government has the obligation to make a certain effort, and the FMLN also has the obligation to make efforts.

The situation in Guatemala is less serious than in El Salvador, but it is, nevertheless, also essential to resolve that situation. I believe that the end of the guerrillas is near and that peace is on the doorstep of Latin America. I believe that all these movements unfortunately were one way or another, directly or indirectly, being promoted by the East-West conflict. With this conflict gone, there is no reason for regional conflicts, and those that still exist will be resolved through dialogue and the joint efforts of the parties involved.

[Moderator] Ivan Garcia?

[Garcia] What agreements, especially economic agreements, have you reached during your visit?

[Perez] We have just signed the agreements reached by Honduran President Rafael Leonardo Callejas and myself, as president of Venezuela. I am very happy because we are overcoming the phase of rhetoric and traditional diplomacy, and now we are on the road to specific agreements. We signed an exchange agreement in the scientific and technological fields. The implementation of this agreement will begin with Venezuelan cooperating with Honduras in prospecting for oil in this region, and our hydrocarbon research institute will be at the service of the Honduran Government. We have also signed an agreement on ecological cooperation. On 5 June, the Venezuelan minister of environment and natural resources will be here to discuss how the cooperation and support programs for the protection of the environment in Honduras and Venezuela will function. This is an important agreement.

We have also agreed that the Venezuela Government propose to the Government of Mexico the possibility of expanding the San Jose agreement to make it more congruent with the needs of the Central American countries and to make it more accessible to them. The San Jose agreement has allowed these countries to buy oil at the market price, of course, but with Mexican-Venezuelan financing, and with the utilization of a portion of the resources in investment plans in the countries that form part of the agreement. This is also very important.

We have also agreed to study the refineries problem. The refineries in all the countries of the region are too small and this leads to higher oil prices in the Central American countries.

I would say these are the most important agreements we have signed.

We also discussed economic cooperation in line with the San Jose agreement for the purpose of helping Honduras obtain the stopgap loan it needs to pay its outstanding bills with the IMF, the World Bank, and the Inter-American Development Bank.

All this means that we have signed important and practical agreements which will help this fraternal Honduran nation pull out of the immediate, difficult, situation it is facing as a result of its moratorium on the servicing of the foreign debt.

[Moderator] Manolo Diaz [words indistinct].

[Diaz] Mr. President, [five-second break in reception].

[Perez] The military situation in the world is changing, and it will continue changing greatly. I should not give my opinion on what Honduras can or cannot do as a sovereign nation in matters involving military agreements with other nations. We Venezuelans, however, do not favor the presence of foreign bases in our territory because we are a peaceful country, because we believe that conflicts should not be revolved militarily but peacefully, and because we believe that permitting the presence of bases, to a certain extent, means causing or accepting the possibility of war breaking out among our nations.

A few weeks ago Venezuelan Armed Forces Hercules planes landed here with a Venezuelan Armed Forces battalion. That battalion came here for the same reason that other Venezuelan troops have gone to other countries: to contribute to liberty and peace in those other nations. This battalion is at the service of the UN Observer Group in Central America to guarantee the disarming of the Nicaraguan guerrillas, or resistance forces, or contras.

[Moderator] Rafael Castellanos, Radio Tegucigalpa.

[Castellanos] Mr. President, the economic adjustment measures adopted here in Honduras recently by President Rafael Leonardo Callejas have been questioned a great deal. Since Venezuela has already gone through such an experience, can you tell us how this has favored your system of government? Also, do you agree or disagree with what was said recently by Pope John Paul II in Mexico, that these technical measures do not permit the underdeveloped countries to progress?

[Perez] First of all, I want to tell you that the interpretation of the words of any magistrate or any president or any ranking world personality must be made in context. I do not think, and will say so here, that the pope has criticized the adjustment measures that are taken in our countries. His Holiness, according to social church doctrine, must have spoken of the injustices that prevail in our countries, of the privileges that corrode the social reality of our countries and which lead vast masses of each of our nations to live in abandonment and in misery, while privileged sectors share the fundamental wealth of our countries. I am sure that is what Pope John Paul II said in Mexico.

The program of economic adjustment must consider the reality of each country. I cannot be the one to judge the measures being taken in Honduras. What I can say is that, unfortunately or regrettably, Latin America and all of our countries have no other way. If they want to take advantage of this crisis to resolve the structural problems of their economies, to project themselves firmly into the future, and to work toward healthy economic growth and an authentic social development of social justice, they have no other way but to be sincere regarding their economies, to end the era of fiction, of unreality, and to begin to work within a real economy. This is what we have done in Venezuela and this is surely what President Rafael Leonardo Callejas seeks to do here in Honduras. Of course, they are traumatic measures. In no country have they been carried out without creating public problems, because initially they signify difficult sacrifices on the part of all sectors of the community—of the capitalist sectors, the working sectors, all the social classes of the country. Of course those who have less are the ones who suffer the impact of these measures the most. Hence, it is difficult to adopt them, and it is necessary to implement them simultaneously with compensatory measures. These compensatory measures, although they do not make the situation totally satisfactory, manage to ease the difficult consequences for the workers of the city and countryside and for the middle-income sector, consequnces caused by the implementation of these measures.

In Venezuela we endured this situation throughout 1989. It was a very difficult situation. Presidents, chiefs of state, find it very difficult to implement these measures because we are aware of the damage we are inflicting on the people through their implementation. However, there is no other alternative. These measures are essential.

These measures are already producing favorable results this year. Last year no investment was made in Venezuela and our GNP dropped a dramatic eight percent. This implies a deterioration in the Venezuelans' standard of living. Last year, on 27 February, we endured painful and regrettful situations in the city of Caracas. This is a date we cannot forget. It serves as an admonishment and warning about the need to prevent countries from accumulating social problems that will eventually burst.

In 1990, however, very large investments will be made. They will be worth 300 billion bolivares. Venezuela is now implementing direct subsidy progams that may not raise real salaries to a just level, but that do help the situation of poorer Venezuelans. Venezuela is already envisaging the possibility of increased employment. Reduced employment is one of the drawbacks of economic adjustments. We have defeated the fiscal deficit problem. We brought it down from eight percent in 1988 to 1.7 percent in 1989.

We have not brought inflation down to the level we want, but it is now under control. Last year, the inflation rate was 80 percent. This year it will not be any higher than 24 or 25 percent. The balance of payments, which in 1988 showed a $4.8-billion deficit, in 1989 exhibited a $792-million surplus.

The economic adjustments and their favorable consequences have made it possible to report this data.

When I became president, Venezuela's international reserves were 300 million bolivares. Now, our operational international reserves amount to more than $3 billion. All this demanded large sacrifices. We had to impose a 150-percent devaluation of our currency. Our exchange rate went from 14 bolivares for one U.S. dollar,

to 36 or 38 bolivares to that same one U.S. dollar. Today, however, we have a floating exchange rate, and the Venezuelan currency is stable.

The benefits we have secured as a result of the policy we adopted are already evident. We have refinanced the debt, and while it is true that it does not satisfy all the [10-second break in reception] to service the debt, and this way we are going to reduce our annual foreign debt service payments to acceptable levels.

This is the situation in Venezuela. Let us hope that here the Honduran people will be able to understand the situation and that the Honduran Government will adopt the correct measures so that next year, in 1991, the people may live through the beginning of a period of less tension and a phase of economic and social development.

[Moderator] Armando Villanueva of EL HERALDO

[Villanueva] Considering the fact that the Latin American countries are very poor, do you consider it necessary to reduce all the armies of the continent, especially in Central America? I would also like to know what measures do you, as a Latin American leader, think should be adopted to enforce rulings of the OAS, as a regional organization, considering your statements in Washington criticizing the way the OAS operates?

[Perez] It is pleasant to see that everywhere I go in Latin America the reporters' comments reflect concern and anxiety about the reduction of our armed forces. Nobody in Latin America thinks that armies must be eliminated. Nobody thinks that our armed forces are useless. However, everybody thinks that it is indispensable to keep spending on weapons in line with a country's means, to its GNP, so that this spending will not stifle or prevent economic development. This will allow us to devote resources, which were previously devoted to the armed forces, to our underprivileged social strata and to the poor people, who abound in our countries.

This implies that awareness is developing in Latin America and that—because of universal detente and the end to the arrogance which the world's industrial-military complex had displayed until recently—the pressures exerted on our countries, through various means, to constantly renovate and purchase equipment will end. I think that our Latin American countries can get together—probably through the OAS or other integration mechanisms—and agree, first, not to transfer a given percentage of our GNP to pay for military services, and also to reach agreement on the modifications or transformations of armament which our countries may have to make because of technological limitations. In sum, I am completely in agreement with what the reporters said concerning a thorough study of this matter.

Finally, regarding the OAS, I cannot but reassert what I have already said. I hope that during the meeting in Asuncion, Paraguay, a serious study will be made concerning a structural reform of the OAS so that it may render the services it has not rendered to the hemisphere thus far.

[Moderator] Reporters, time has run out, and the president must leave. Thank you, and thank you, Mr. President.

[Perez] Thank you very much, and a greeting to the Honduran people.

* 1990 National Budget Statistics Reviewed

90CA0022A Tegucigalpa EL HERALDO in Spanish 7 Apr 90 p 2

[Text] The national budget approved by Congress on 5 April contains an increase of 88 million lempiras and covers all of the commitments made by the previous government.

Nevertheless, some analysts have preferred to make their own interpretation of the approval of these proposed expenditures. They have sought to criticize the present administration by stating that the budget has been increased by more than 1 billion lempiras. Benjamin Villanueva, minister of finance and public credit, said that this view is completely false.

To make clear how the approved budget compares with the one approved in 1989, the minister of finance and public credit said: "The comparison is a simple one. In 1989 the real budget used by the central government amounted to 3.424 billion lempiras. The budget approved on 5 April by Congress totaled 3.5 billion lempiras. That is, there was an increase of 88 million lempiras. The 1989 budget included 2.3 billion lempiras in appropriations, and these funds were actually spent. In addition 645 million lempiras were obligated, and there were 404 million lempiras in foreign loans.

"So that public opinion will not be misled, we really spent 3.424 billion lempiras in 1989. We cut the 1990 budget by 240.5 million lempiras. This left us with a net budget of 3.174 billion lempiras, which is about 280 million lempiras less than in 1989."

"However," he continued, "in the 1990 budget we are including an adjustment reflecting the fact that, beginning with 1990, the government must purchase foreign exchange at the same rate as any other Honduran citizen, that is, at the rate of 4 lempiras to US$1. The costs of operating Honduran embassies, consulates, and other offices abroad and purchasing everything which the state imports must be paid for at the 4 to 1 rate. That consideration brings the 1990 budget up to 3.5 billion lempiras."

According to the minister, the 1990 budget is very tight, much more so than the 1989 budget.

He stated that the central government has not taken into account the real impact which the above measures will

have. They will force the government to reduce expenditures to the maximum extent possible, because the administration will not be able to handle its expenditures on the average daily factor of customs valuation.

The basic question which must be asked of the minister of finance is essentially mathematical and logical. If in 1989 3.424 million lempiras were spent on the basis of the budget approved by Congress, whereas in 1990 3.5 billion lempiras are to be spent, involving an increase of 88 million lempiras, how is it possible to say that when we have more millions of lempiras approved for expenditure than in 1989, in fact we will spend less?

The minister explained the matter in this way: "This is because we are speaking of restrictive measures in real terms. That is, it may appear that we now have 88 million lempiras more to spend. That is not true, since it involves a purely monetary adjustment. We are going to keep the same salary level for ambassadors, consuls, and other personnel serving abroad. We are not going to increase their salaries. However, in order to pay them in U.S. dollars we have to buy the dollars at the 4 to 1 rate."

Benjamin Villanueva added: "We are not increasing expenditures. Rather, we are recognizing a reality which previously was hidden. Previously, the government went to the Central Bank and bought U.S. dollars at the 2 to 1 rate. And no one realized that there was a hidden subsidy in doing that. Someone was losing 2 lempiras per U.S. dollar, and that someone was the Central Bank. No one publicly admitted that cost."

Villanueva concluded: "Now we simply decided to make things clear. Instead of the Central Bank's hiding its losses, it is more important for the people to realize how much it costs us to operate our embassies and consulates. We prefer to compute this cost at the rate of 4 to 1, instead of 2 to 1. There has not been a real increase in expenditure. We have recognized the expenditures which took place in any case, but they were previously hidden."

* Consumers Oppose 7-Percent Sales Tax

90CA0022D Tegucigalpa LA TRIBUNA in Spanish 3 Apr 90 p 8

[Text] The increase in the sales tax from 5 to 7 percent as one element in a package of measures approved by the government took many purchasers by surprise. Although they receive bills printed with the "former percentage" of sales tax, now they have to pay 7 lempiras for every 100 lempiras of goods purchased.

Answers to the question whether they agreed with the change in the sales tax varied, depending on the amount purchased by the people consulted as they emerged from shopping centers with their purchases.

Depending on the amount of their purchases, buyers will be affected by the new tax proportionately. However, they agreed that the result hits them in their pocketbooks.

Following are the answers given to the question, "What do you think of the new sales tax?"

Ivonne de Zuniga (housewife): "I think that the increase is too much, because the cost of living will go up. It looks as if we will not be able to go on living because of these changes."

Victor Caceres Lara (former minister of culture and tourism): "This is a sacrifice which we have to make if we want the country to come out ahead and meet our obligations. For that reason we have to pay.

"Nevertheless, I consider that the new tax of 7 percent is a serious matter because it will require a sacrifice. However, the people hope that the money collected from their sacrifices will not be wasted and we will avoid being faced with the fact that every day we will lose our sovereign rights."

Reyna Rodriguez: "I do not know whether they have collected 5 or 7 percent in sales tax and I have not begun thinking of how this will affect me. However, if the government has taken this action, I think that it is really needed. The truth is that those who will suffer the most are the poor."

Luis Alexander Silva (a working man who was coming out of a coffee shop): "Those of us who work in a shop and who receive a salary will be affected substantially, because our salaries are not large enough to pay the 7-percent sales tax. I do not think that the sales tax is a good idea. What will happen now is that we will have to make greater sacrifices because there will only be a little left over from our pay checks."

Johnny Villatoro (a student recently arrived from Guatemala): "In Guatemala I saw the same economic measures adopted. However, from my point of view we have to make sacrifices because the most important thing is to improve the situation."

Adolfino Cruz (farm worker): "I will have to spend more money to buy the things which I need in the field. I see now that we do not get any help from the politicians, and living is very expensive. "

Meanwhile, Nicolas Simon, a businessman whom we questioned, said that the collection of a 7-percent sales tax which the government has approved applies to all purchasers, although the receipts still have printed on them the 5-percent sales tax which was collected by the previous government.

Nicaragua

Chamorro Orders Review of Labor Agreements

PA1105044890 Managua Radio Corporacion in Spanish 2300 GMT 10 May 90

[Text] The government has issued a decree to avert strikes. Nicaraguan President Violeta Chamorro today issued a decree authorizing Labor Minister Francisco Rosales to revise all the labor agreements signed between the Sandinist regime and the state workers before she took office. This measure is aimed at averting a series of antigovernment strikes that have been staged over the past few days to demand wage increases.

The wages have been declared illegal. The decree authorizes the labor minister to negotiate new wages with the workers, demanding that they comply with the law on making demands or risk being penalized for halting production.

'FSLN Agitators' Stir Railroad Labor Unrest

PA1105025490 Managua Radio Corporacion in Spanish 2300 GMT 10 May 90

[Text] Honest railroad workers had announced on 9 May that forces linked to the Sandinists would provoke a strike at the railroad today. This morning, headed by FSLN [Sandinist National Liberation Front] agitators and members of the red and black union, they paralyzed work at the central station, thus joining the intensive Sandinist activity aimed at destabilizing the Government of National Salvation.

The small group, headed by Evelio Palacios, took the keys to all railroad locomotives from the machinists, who wanted to work as usual because they are aware of the need for transportation by thousands of market peddlers and other vendors who ordinarily commute to Managua from other places.

Railroad employees told our news office that Sandinist elements had been active in the central offices for several days, inciting members of their union and threatening employees not wishing to abide by the strike call. The employees explained that all this was done with the blessing of the railroad manager, (Mrs. Isaas Rey).

Public Administration 'Paralyzed' by UNE

PA1105012590 Panama City ACAN in Spanish 0026 GMT 11 May 90

[Text] Managua, 10 May (ACAN-EFE)—The National Employee Union (UNE)—grouping 48,000 Nicaraguans—has paralyzed public administration tasks "indefinitely." This action has been taken because of President Violeta Chamorro's decision to "temporarily" suspend the law governing civil service.

This law—sent by former President Daniel Ortega to the legislature and promulgated on 19 March 1990—protected state employees' in their posts.

The UNE Secretariat also decided to take over state installations "immediately," with the exception of the banking sector, and not to allow ministers and deputy ministers of the government, which took control 15 days ago, to enter these installations.

A UNE communique, issued this morning, called all workers to participate in a march tomorrow to protest Chamorro's measures. Government workers indicate in their communique that the suspension of the civil service law prepares conditions to "order the massive firing of state employees."

This law was strongly criticized by the then opposition sector because it considered that the Sandinists were looking for ways to protect high government officials and maintain them in their posts after the new administration settled in.

Days after the transfer of power, on 25 April, Central Bank President Francisco Mayorga ordered the relocation of four top bank officials and the incident caused work to halt immediately.

Likewise, the workers noted that the new government is attempting to revise collective agreements signed during the revolution in hopes of reducing their benefits at a later date.

The UNE communique stated: "Labor Minister Francisco Rosales and the new government want to throw workers onto the street with impunity through arbitrary actions."

Contra Commander Requests Land From Government

PA1105004090 Managua Radio Corporacion in Spanish 2323 GMT 10 May 90

[Text] The chief of the Nicaraguan contra troops, Israel Galeano, alias Commander Franklin, came to the capital today to discuss the demobilization of the rebels with officers of the International Commission of Support and Verification (CIAV). Deputy Government Minister Jose Pale also attended the meeting, which was held at the ONUCA [UN Observer Group in Central America] building in Managua. Commander Franklin is demanding that the new Nicaraguan Government give the demobilized rebels a small area of territory, land, and constitutional guarantees, as if to create a separate state from the rest of the country.

Godoy To Push Constitutional Changes in Assembly

PA1005224790 Managua BARRICADA in Spanish 8 May 90 p 5

[Text] The political council of the parliamentary bloc which supports Vice President Virgilio Godoy announced on 7 May that they will wage a fierce battle in

the National Assembly to pass 17 constitutional amendments, including one that would limit the powers of President Violeta Chamorro.

Godoy's bloc, one of the three currently in the Assembly, noted at a news conference that the 17 constitutional amendments are part of "commitments to the people" to attain real democracy. In this manner, Godoy's bloc will try to reduce Mrs. Chamorro's power.

Roberto Urroz, deputy of the Nicaraguan Democratic Movement (MDN), admitted that 60 percent of the Assembly's votes will be necessary—which the bloc does not have—for the amendments to be approved. However, he added that he trusts that some Sandinist deputies will support their position.

National Conservative Party Deputy Alberto Saborio talked about "dismantling" constitutional laws, which would require two-thirds of the votes from the 92 members of the Assembly, in other words 63 deputies, as established by the Constitution.

Saborio said that if they fail to obtain two-thirds of the votes, they will propose a constituent assembly, or they might have to wait until the end of the current government's term to achieve their objectives.

Deputy Zacarias Hernandez stressed that "as long as Mrs. Chamorro fails to comply with the promises we made (during the electoral process), the Sandinists will continue governing."

Among the 17 constitutional amendments that Godoy's bloc will try to debate in the National Assembly are the presidential reelection, the elimination of the soldiers' right to vote, limiting presidential powers, and establishing an attorney general's office for human rights.

Half of the 51 UNO [National Opposition Union] deputies are in the legislative bloc controlled by Virgilio Godoy, and the rest support Alfredo Cesar, the current first secretary of the Assembly.

Representatives from the UNO bloc headed by Alfredo Cesar were not present at the news conference.

RN Accuses Government of Breaking Agreements

PA1005195490 Managua Radio Corporacion in Spanish 1700 GMT 10 May 90

[Statement issued by the Nicaraguan Resistance, RN, on 10 May; read by RN spokesman Alejandro Cedeno]

[Text] As we unfortunately are unable to use written means—because one gets the impression there are three official written news media [reference to the major Managua newspapers BARRICADA, LA PRENSA, and NUEVO DIARIO]—we are forced to report that so far the new government of Mrs. Violeta Barrios de Chamorro has not kept the agreements signed with the RN. The RN is strongly interested in the country's demilitarization. One of the problems that is making a true and effective demilitarization more difficult is the split within the National Opposition Union [UNO], which makes it unable to issue a strong declaration regarding the government's noncompliance with agreements signed with the RN.

In the military field, as the Nicaraguan people know, the only thing that has changed is that in the Interior Ministry [Minint] all its officers and subordinate officials were transferred to the EPS [Sandinist People's Army]. For example, the only change is that Tomas Borje is no longer in the Minint. Replacing him is Carlos Hurtado. The rest of the staff [words indistinct] Minint.

We notice the same thing in the Labor Ministry, the Central Bank, and so on. The only thing that has changed in all state (?entities) are the ministers. Everything is handled by the Sandinists. The situation in this regard is such that we have learned that in a news conference held on 9 May, the current government minister blamed the lethal FSLN [Sandinist National Liberation Front] leadership for not letting the ministers perform their duties and and implement changes they deem as essential.

We wish to reveal other aspects. Emilio Alvarez Montalvan was pressured to resign for supporting the RN stance. Leopoldo Navarro and former agriculture minister Jaime Cuadra also felt compelled to resign because they had pledged to the RN in the Toncontin agreement that they would not accept a pact with the Sandinists. As they told the RN, they resigned because the government is shared with the Sandinists. More than that—and pay attention—the new government has not kept the commitments it made regarding the RN camps in Honduras that it would ask friendly countries to provide humanitarian aid to the relatives of the fighters. The situation is such—and listen to this well—that from one to two children die every day due to the lack of medication and food in the camps. Women give birth on the floor, under trees, in a filthy environment. In addition, these contras are under pressure by the [Honduran] authorities.

Now, in the first point of the 4 May agreement between the new government and the RN, the new government stated that all EPS troops and (?paramilitary units) were going to be withdrawn from the security zones, agreed upon in the cease-fire document of 18 April. In addition, it had been agreed that all weapons in the hands of civilians in the aforementioned areas were going to be collected. In this respect, the EPS has not withdrawn, and the civilians' weapons have not been destroyed.

As the Nicaraguan people know, there are many weapons in the hands of FSLN fanatics all over the country. The Sandinists have handed out weapons, and so there are as many weapons as flies. Therefore, an inadequate climate of mistrust has been created for the RN disarmament and rehabilitation. The program to reduce the armed forces will be unveiled on 10 June, as established in Violeta Barrios de Chamorro's inaugural speech. The implementation of this program reportedly will begin at

once. In this respect, the RN and the government established several commissions to learn of this program beforehand. This point has not been complied with.

There are three [as heard] commissions: security, development areas, health, housing, and so on. So far, the RN does not know anything about the armed forces reduction program. The third point of the agreement stated that the president pledged to guarantee the moral and physical well-being of the fighters, as well as of their relatives and the civilian population that accompany them. Regarding this point, the demobilized, wounded RN fighters in the hospitals of Jinotega, Managua, La Trinidad, and Matagalpa, whom the CIAV [International Support and Verification Commission] transferred there so they could receive medical treatment, under the guarantees of the new government —pay close attention—are being interrogated and pressured by state security members. They are receiving minimal medical attention and food. It is worth noting that they and their families are experiencing all sorts of threats.

In other words, the new shared government has not kept any of the agreements it signed and agreed to. Everything is a mere signed paper. The Sandinists continue governing everything, from military to administrative matters.

Civilian Arms Distribution Hindering Agreement

PA1005213090 Managua Radio Corporacion in Spanish 2338 GMT 10 May 90

[Text] The document signed by the Nicaraguan Resistance [RN] and President Violeta Barrios de Chamorro will probably not be completely fulfilled, according to members of the National Opposition Union.

UNO members pointed out that, according to the document, the weapons in the hands of civilians near security enclaves will be collected and destroyed, but it is unknown how many weapons were taken out of the army's arsenals and turned over to FSLN [Sandinist National Liberation Front] brigades in different parts of the country.

In addition, the collection of weapons from civilians will not be complete considering that there are different armed groups, including paramilitary, reservists, voluntary policemen, and other similar organizations, which will be a headache for military officers of international organizations, according to UNO politicians.

Sandinist Arms Cache Found in Ciudad Sandino

PA1005224990 Managua LA PRENSA in Spanish 8 May 90 p 1

[Text] According to reports given to LA PRENSA by some residents of Ciudad Sandino District, approximately 2,000 rifles and M-44's had been hidden in the area.

To date, 80 M-44's and their shells have been found in Policasa [expansion unknown] at the entrance of the road to Jiloa; 20 M-44's and shells were found on the 7.5-km marker on the new road to Leon; another 20 M-44's on the 16-km marker near Los Brasiles; and 20 in the INE (Nicaraguan Electric Institute) plant across from Ciudad Sandino.

At the entrance to Cuesta del Plomo, near Enemesa [expansion unknown], 454 M-44's were found. Another 11 are hidden in La Completa, on the 5-km marker on the new road to Leon, and 10 in Enabus (National Bus Enterprise) in Ciudad Sandino, two blocks up from Pinar del Rio.

There are 200 M-44's with ammunition at the fire station in the Los Cabros Square and an equal amount at the Ciudad Sandino 8th Zone Police Station.

It is believed that there are 200 M-44's at Vanpac [expansion unknown], located on the southern side of the Augusto Cesar Sandino market, and another 31 in Filos de Cuajachillo, 17.5-km marker on the old road to Leon, two km north of the terminal in Quinta Sofia.

In the El Nilo ranch, on the 11-km marker on the new road to Leon, 80 M-44's were found and another 32 in Trinidad Norte, at a voluntary police locale, half a block north from the Catholic church.

Six hundred and twelve M-44's were delivered to the central store in Zone 1.

Former BCN Chief Disputes Claims of Fiscal Ills

PA1005193290 Managua BARRICADA in Spanish 1 May 90 pp 1, 5

[Text] At the time it took power, the government of President Violeta Chamorro received $130 million in the national financial system, Roberto Gutierrez, former vice president of the Central Bank of Nicaragua [BCN], told the "Extravision" newscast yesterday.

Gutierrez rejected the slanderous accusations by current BCN President Francisco Mayorga who said the Sandinist administration left the Chamorro government with no liquidity, in a situation comparable to what Somoza left after the 19 July 1979 victory.

"I believe he is curing himself before the illness takes hold of him, and will try to portray a totally negative prospect to justify his statement that in 100 days he would improve the country," Gutierrez commented when asked about the reasons for the irresponsible statements by the self-proclaimed "czar of the economy."

Gutierrez explained that within the spirit of an orderly transition, the BCN was formally turned over—with fiscal and financial matters turned over to Dr. Mayorga himself—to Mayorga, Enrique Dreyfuss and Dr. Erwin Kruger, who were told at least three weeks before the

inauguration that there was about $130 million deposited in the BCN and redeposited in international banks to earn interest, which showed there was confidence in the National Financial System.

This means that with such deposits, carrying out normal banking operations, the government could get at least 50 percent of the $130 million, or $65 million which the government could use and which would be readily available.

Gutierrez told "Extravision" that Mayorga, and the rest of the government officials, were told that the problem was not to search for money abroad, but rather to find ways to avoid the flight of capital from the country, and were asked to make an public statement guaranteeing that deposits were insured.

However, Gutierrez said, such a clarification was not made and at the time Chamorro took over power there was a flight of over $37 million which people withdrew due to a general lack of confidence. Therefore, he said, the $130 million was reduced to $93.5 million.

Mayorga only referred to the 3 million [currency not specified] in the BCN vaults, but he forgot to mention that there was 1.3 million in the banks to face cash withdrawals, Gutierrez said, adding that if one takes into account the 3 million left by Somozists and the $93.5 million left by the Sandinists, there is a difference of over 2,000 percent.

Gutierrez also told Extravision that credits for $25 million were obtained from the Bladex [Latin American Export Bank] which are available for the current agricultural season; therefore, he said, the information provided by Dr. Mayorga is inaccurate.

Central Bank President Mayorga Interviewed

PA0905235490 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 7 May 90

[Interview with Central Bank President Dr. Francisco Mayorga by unidentified reporters on the "Weekly Review" program; date not given—live or recorded]

[Text] [Reporter] What will happen with savings?

[Mayorga] Recently approved measures that involve the cordoba oro are specifically aimed at promoting savings. There has been great distrust in savings in national currency due to inflation. Inflation has been reducing the purchasing power of savings. We now hope that people who have a surplus of old cordobas will go to the banks to deposit them and earn a good interest rate in dollars, and later receive cordobas oro, which are freely convertible into dollars.

[Reporter] Does the government have any plan to help current savings holders regain some purchasing power?

[Mayorga] The purchasing power of savings has deteriorated in the past 10 years. Inflation has been consuming savings. The only thing that we can do now is to try to start with a clean slate. Of course, people who currently hold savings in the banks will continue to draw the same interest rate that they had been drawing; we might be able to slightly improve them. However, we are thinking about offering the option of transferring those old cordobas to cordobas oro to help them cope with the situation.

[Reporter] Real salaries have fallen. Yesterday you said that the Labor Ministry might announce salary increases. However, the labor minister announced the elimination of subsidies and of the AFA [rice, beans, and sugar package]. This means that gains in the form of higher salaries will be taken away with the elimination of subsidies. A new situation would prevail.

[Mayorga] No, I believe that that is a mistaken interpretation. The idea is to defend the purchasing power of the workers' real salary. In the past few months, there have been excessively high nonimal increases; salaries have been increased, but workers received bills without any value, and this is why purchasing power has lost ground. We will try to maintain salary increases as inflation drops to ensure that salaries increase as the price of the family basket increases to uphold the purchasing power.

We want to consolidate everything sometime in the future. In other words, instead of receiving rice, beans, and oil, workers would receive the cordobas they need to purchase rice, beans, and cooking oil through salary increases in keeping with the inflation rate to compensate for the elimination of the AFA, which involves a tedious process because the goods that are distributed to the workers have to be transported to the ministries. We want the people to have cordobas to buy their AFAs, but we want them to be able to buy them in the grocery stores of their choosing.

[Reporter] Is there not the possibility that the gap will widen even further because of these measures?

[Mayorga] During the last 10 years the poor became much poorer and the rich almost disappeared from this country. I see few people who can really be regarded as rich save for some people who were somewhat under the wings of the FSLN [Sandinist National Liberation Front] and managed to make some money.

What I feel is that at this moment we must be very careful. What we are doing by defending the workers' purchasing power, defending their real wages, is to provide a breathing spell for production to increase. After the first crop is out—and with the help of Holy Mary and a good rainy season—there will be more food. This will help increase the workers' purchasing power and help the farmers earn some more money. The key is that everybody earns something—that the producers, the consumers and the workers earn something.

[Reporter] However, what is going to be done during this period, when salaries are depressed, when there is no

purchasing power and the people are complaining? At this moment, what will be the percentage of devaluation...

[Mayorga, interrupting] One thing is very important here. Salaries paid by the government had been increased to a level a little above the rate of inflation and this restored or gave a breather to the workers during the last two months. This was the FSLN's big farewell—to increase salaries beyond what the economy could bear. However, despite this and if the external aid arrives, we hope the salary increases can be sustained and the purchasing power can be defended. The issue now is to maintain the relationship between salaries and the basic basket of 53 products and not that of 29 products that was used before. The former is a much broader basket.

What is important here is to protect the purchasing power of the workers while production begins to increase. This is the only way we can really improve the standard of living of all Nicaraguans.

In other words, we may be thinking that the government will have a [words indistinct] Nicaragua, a salary increase of 200 percent to protect, so to speak, the latest measures... [unidentified person interrupts with indistinct words]. I am talking about the basic basket. The black market regulates some prices in the economy. The parallel market regulates other prices in the economy and the official exchange rate regulates other prices too. However, all prices, in general, increase and keep pace with the degree to which credits have to be increased and they will keep pace with the salary increases decreed by the last govenment. In other words, the basket's price increases and keeps pace with the deficit and the amount of money that has been placed in circulation. Sometimes the basic basket's increase is larger and sometimes lower than that of the dollar.

However, what is important is to protect the purchasing power in relation to the basic basket. We have not experienced a 200-percent increase of the basic basket. The basic basket must have increased by a hefty amount, keeping pace with the inflation the FSLN planned, and will increase in May, too. So, the issue here is to protect the workers— based on estimates of what will be the relationship with the workers' salaries and what percentage you are referring to.

The labor minister will make this announcement based on the amount the cost of living has increased. What one has to do is to defend the workers and they are defended in relation to the cost of living. The cost of living may increase more, or may increase less. It increases more than the dollar during some months and less than the dollar in others.

So, what happened? The FSLN left the dollar price unchanged during two months on the parallel market. The idea was [two-second break in reception] to force us to decree the devaluation that it should have decreed. This devaluation will have an impact on the cost of living, but this will be later on and when this happens the workers will be immediately reimbursed. The workers have to be protected.

Another interpretation is that the Mayorga plan, or 100-day plan—as it is now being called—involves a concealed objective, which is to dismiss workers. How would this be done? When the real salary of the worker drops that worker would find himself forced to resign in order to be able to survive. So, the talk is that between 10,000 and 15,000 persons will be laid off from the state apparatus.

This is a totally unfounded rumor. We have said clearly that we have no intention of firing anyone or of letting real wages drop. On the contrary. I just said so. I have said about four times that our goal is to defend the real wages of the workers. Our concern is not to cut public spending or spending on social services, which are dilapidated. What we need to do here is to cut the Army's expenses and that is the reason for the plan which Dona Violeta has asked General Ortega [General Humberto Ortega] to draw up. Once the groundwork for a firm and lasting peace has been laid, we expect to be able to reduce the military spending. This means that at the same time we create opportunities for gainful employment we can productively absorb a large number of people who are in the Army at this moment. The idea is not to lay off people but to create new sources of employment for the people who are currently unemployed and for people who can leave little by little to perhaps find jobs with better pay in the productive sector.

[Reporter] [Question indistinct]?

[Mayorga] There is no question that the trap which the FSLN laid against Dona Violeta's government is doing a lot of harm. However, we are adhering to the idea that the measures necessary to improve the situation are adopted during the first 100 days of the administration...

[Reporter, interrupting] And what if it does not improve immediately?

[Mayorga] The benefits of these measures will be felt during the first 100 days. The measures are beginning to be adopted. Their benefits are like those of medicine. You take a medicine now and it takes some time to produce an effect. Therefore, the effects of these measures will be felt within 10 to 12 weeks. The effects will be positive because the inflation will begin to taper off. The dollar [price] will become stable and the production will increase.

However, we cannot recover all we lost in 10 years overnight, but we believe that what we lost in 10 years can be recovered in three or four years. I believe that this is good news.

[Reporter] What will happen to small businessmen and their loans?

[Mayorga] We are waiting for the arrival of the foreign aid that we have negotiated. We will go to Rome on 6-7

June. With the dollars we obtain, we will immediately begin to implement programs by supporting small businesses with the financing they need to ensure the return of grocery stores, which were destroyed in the past 10 years; we want more grocery stores, restaurants, coffee shops, barber shops, beauty shops, and all those establishments that help the country operate smoothly.

[Reporter] During a meeting with you two years ago, after the signing of the demobilization plan on February 1988, you commented that Sandinism had carried out this sort of amortization without using an anesthetic, that is, without the backing of fresh money or dollars. I see that we also are not using an anesthetic now. In other words, not one of the economic measures is backed by money to make the changes less taxing.

The people believe that the changes are increasing the price of something else everyday. Therefore, we are returning to the tactics of surgical interventions, to quote you textually, without using an anesthetic.

[Mayorga] We are beginning to implement the measures that the previous government should have adopted to prevent this kind of problem. The previous government during the last two months completely paralyzed the stabilization plan that it had been implementing. It left in the hands of the new government the need to adjust the exchange rate, review the prices of state business products, prices of cigarettes, rum, and so on, because the previous government [words indistinct].

What do we need now? To make other adjustments. It is true; we do not have anesthetics at this moment, but are waiting for them to arrive. We do not only need anesthetics; we need a transfusion to be able to perform the surgery. The surgery consists of gathering all those unproductive resources in the hands of the state and placing them in the hands of those who can really make them produce.

[Reporter] [Question indistinct]?

[Mayorga] I am talking about the democratization of property that to a great extent is being monopolized by the state. I am talking about taking land from state farms to distribute it in an orderly fashion among the peasants; gathering industrial properties, which are currently being very poorly managed and causing enormous losses to the country, to place them in the hands of managers who can make them produce well and shareholders who can revive them by pumping money in them and also give [word indistinct] to the workers.

[Reporter] Where is that money going to come from? I do not see any immediate interest in investing here by businessmen who have returned from abroad.

[Mayorga] Many cotton growers have returned. They are looking into ways of expanding the area cultivated with cotton. We believe that there will be a significant increase in the size of the cultivated area although there is a shortage of tractors and spare parts. Last year the cultivated area dropped to 50,000 manzanas. It was 57,000 manzanas in 1988 and fell to 50,000 in 1989. I believe that we will have a vigorous upsurge in 1990. Cotton growers are excited about this and are returning.

[Reporter] Undoubtedly there is a basic need for peace for us to achieve the [words indistinct] you are talking about. Part of it is the need for the counterrevolution to discontinue its activities. There is also the danger of an understanding against the Nicaraguan people. [sentence as heard] What is being done about this?

[Mayorga] Dona Violeta's government intends to propose a plan for a national understanding between producers and workers, between business owners and employees, and with the government. In other words, there will be three parties to it —the government, the business owners, and the workers. They would discuss the situation of production and the manner in which all of them can work together to increase production for the benefit of all sectors and to ease this very difficult situation. This national understanding would be the basis of everything.

However, if during this initial stage of the economic plan of Dona Violeta's government there is no cooperation and understanding from the people and if there is no harmony in the hearts of the Nicaraguan people we will have no way of uplifting the country. If, for example, the FSLN insists on continuing to pressure the government into adopting measures that are not right or continues to engage in sabotage by trying to bring about strikes and other such things there will be no way to make the country forge ahead. We have to sit together [words indistinct].

One thing worries me. The contras are going to demobilize here and the [words indistinct] on the part of the government is to reduce the army. We are talking about thousands—about 50,000 people. Where will we get the new sources of employment for 50,000 people in order to prevent strikes or social movements from occurring? One must not blame the FSLN only. Instead, as we can see by looking at examples like that of Venezuela, social (?upheavals) can occur when the population feels economically suffocated.

So, what are the plans that [words indistinct] the government? It would be ironic if— after 10 years during which the previous government kept smothering the country— the people should feel suffocated now. I feel that this is where there may be some political maneuvers, which could be hidden in your question. However, what is most important is that we rapidly launch programs to provide gainful employment to those who are going to be demobilized. (?Efforts are being made to obtain resources) to reintegrate those demobilized from the contras and the Army into society—to give them gainful employment, land and housing facilities and the possibility to contribute to Nicaragua's recovery little by little. I do not look at this as a problem but as an opportunity. It is an

opportunity to make all these people who have been engaged in destructive activities produce and this will be beneficial to all.

[Reporter] You are talking about money. You mean hard cash, do you not?

[Mayorga] We are in the process of making [the cash] a tangible reality through a number of agreements. The truth is that we have to go to Rome. In Rome each of the governments which has been telling us privately that they are going to make interesting contributions will make them a reality. For the time being we have access to some flexible credit lines. This is the case, for instance, of West Germany, which can be an interesting example.

[Reporter] How much?

[Mayorga] Fifteen million U.S. dollars for flexible imports which can be used and which we expect will be the subject of an announcement by the German ambassador here, for instance. They will give us the possibility of using those resources in a flexible manner. Other possibilites are emerging. There is the $12 million in food on which an agreement was signed some two days ago at the presidential house. I feel that we have some very limited breathing room at the moment but that the dollars will be really available later on.

[Reporter] Let us talk about one month from now. What should the Nicaraguan people expect from this new government?

[Mayorga] Well, the Nicaraguan people must have patience during the next four to eight weeks and wait for us to set things in proper order. This government has inherited a chaotic situation from the previous one. We intend to establish order but we cannot do so overnight. We have to wait a few weeks. We will see little by little the results of the measures we will be adopting soon.

[Reporter] Are we going to see more devaluations—medium-size at first, for example, and smaller later on? I would like to ask: What does Francisco Mayorga think of the following. According to his idea of his plan, how much money would he like to have available this year to achieve the objective in his economic plan?

[Mayorga] More important than the amount of money is the good will of all sectors, and especially the good will of the most polarized sectors of the FSLN.

[Reporter] If this good will does not exist and there is no money the plan cannot be carried out. So, accepting for a moment that there is social peace, how much money does Francisco Mayorga think would be necessary to fulfill the plan?

[Mayorga] We need an overall contribution of $300 million in emergency aid, which may arrive during the next six months, in order for this economy to be able to function and revive a little and for inflation to be controlled. Really, this country will not be able to lift its head without this kind of assistance.

PRAVDA Publishes Interview With Chamorro

WA0905192490

For the text of an interview in Managua with President Violeta Barrios de Chamorro by PRAVDA special correspondent V. Listov, see the Latin America & Caribbean section of the 11 May Soviet Union DAILY REPORT.

* FSLN Official on Post-Election Assembly

90CA0025J Managua LA PRENSA in Spanish 28 Mar 90 p 3

[Report by Roger Suarez Martinez]

[Text] The secretary of the National Assembly, Dr Rafael Solis, revealed in an interview with LA PRENSA that his party, the Sandinist Front, is not ruling out the possibility of entering into agreements with certain political parties that belong to UNO [National Opposition Union] and that will be represented in the next National Assembly.

Solis, the secretary of the National Assembly, replied cordially to LA PRENSA's questions in his office, which is located on the second floor of the building that the Legislative Branch occupies.

He said that the Sandinists are taking a look at and analyzing the various candidates for president of the Assembly; he also discussed the current seven-member makeup of the Supreme Court of Justice, Violeta Chamorro's actual power to appoint all of the ministers in her cabinet, and his personal plans for the coming months.

When asked about the Sandinists' haste to pass laws in the Assembly, he said that the purpose of this is not, as Sandinism's critics are claiming, to protect the party "but rather to help create a climate of peace and reconciliation for the transition."

The next National Assembly will consist of 52 UNO deputies, 39 Sandinists, 1 from MUR [Movement of Revolutionary Unity], and 1 from YATAMA [Indian military organization]. As to the strategy that the Sandinists may pursue in the legislature, Solis stated that although it is too early to talk about that, "I'm not ruling out the possibility of agreements with certain UNO parties in the National Assembly."

"I think that this could happen with parties that are very close to Dona Violeta. I would say, in fact, that there could be coordination with the FSLN [Sandinist National Liberation Front] on laws that are beneficial," he indicated.

"I've always said that in UNO there is a very pragmatic sector that is for reconciliation and reconstruction, which is the language that Dona Violeta spoke. I think that the parties that are closest to Dona Violeta think along those same lines.

"There will be other sectors that will come here with radical positions, and I think that it will be more difficult to have a rapprochement or alliance with them. I think that the parties that make up UNO will have to negotiate with us, bearing in mind that we're the strongest party.

"We had some bills ready for 1990, the assumption being that we were going to win the elections. They (UNO) are also working on packages of bills."

Referring to the candidates whose names are being mentioned for president of the Assembly, Solis, who holds the military rank of assistant commander, said that "we're assessing these candidates. We haven't decided whether the FSLN is going to run a candidate for president of the Assembly."

"There are candidates who look stronger, bearing in mind the numerical correlation of the deputies. Dr Miriam, Cesar, and Fletes are the candidates who look strongest. Eli and Gustavo look less strong," he added.

With which of them as president would the Sandinists work best? we asked.

"It's hard to say which one we would work best with as president of the Assembly. We'll take a look at their positions throughout this time and we'll evaluate," he replied.

Flexible and Mature Transition Team of the New Government

Referring to the talks that the two transition teams are holding, Solis described the UNO team as "pragmatic, flexible, and very mature. I think that we need a flexible person as president of the Assembly. There are candidates who look very extreme."

"I read Antonio Lacayo's statements, and they're very positive. He says that a lot of progress has been made in the talks between the two teams and that the Contras may disarm. Based on what I've heard from Lacayo and the government, the talks between the two transition teams are moving forward positively," he said.

New Government's Power To Appoint Ministers

When asked whether the talks between the transition teams were dragging on the points having to do with the changes of defense and interior minister, Solis shrugged his shoulders and said: "The president of the Republic really has the power to appoint her cabinet. In this connection I think that we have to respect the constitution, and the president of the Republic really does have this power. I think that there will have to be discussions on a more comprehensive framework in which accords can come about," he emphasized.

Report of Weapons Distribution an Exaggeration

"This business of weapons being distributed is exaggerated. Weapons were said to have been distributed to the population when Panama was invaded. We mustn't echo those who say that we're preparing for civil war and are going to violate the constitution. Quite to the contrary, we're preparing for a peaceful transition and trust that the Contras are going to disarm.

"I think that the Army has a major role to play here and must respect the constitution. President Ortega is going to hand over power peacefully to Mrs Chamorro. We mustn't echo this propaganda, which is designed to create a climate of uncertainty and fear over the distribution of weapons."

Amnesty and Reconciliation Law Does Not Cover Crimes Committed After 12 March

"The Law of Reconciliation and Amnesty became effective as of its publication and will not cover crimes that a government official may commit after 12 March," Solis remarked.

"If a crime was committed before 12 March and was reported in a timely fashion, and if proceedings began in connection with it, it will be tried in court. What we did do was to prevent people, after 25 April, from going on witch-hunts against and persecuting officials who are political leaders of the Sandinist Front, in a bid to discredit them."

Solis added that "those individuals who committed crimes and whom we did not catch over these 10 years, well there's nothing that can be done about that...they slipped by us. But on account of these exceptions we were not going to leave the door open to disruption of this national reconciliation."

I Agree With Panchito Mayorga, Who Said in Miami That Exiles Would Not Get Their Homes Back

Assistant Commander Rafael Solis said that he agreed with Dr Francisco Mayorga, who told Nicaraguan exiles in Miami not to think that they were going to come here and get their homes back, because a process that must be respected took place here, adding that what should be done, in any event, is to pay them compensation.

"Mayorga said it again in INCAE [Central American Institute of Business Administration]. I think that this is very sensible and very different from what Gilberto Cuadra said; he went on the attack and said that they were going to privatize everything. I don't think that this is Dona Violeta's view. I think that Mayorga is closer to Dona Violeta and expresses the opinion of the new government," Solis indicated.

"I agree that there ought to be compensation in cases of flagrant injustice, rather than to go around kicking people out of houses and into the street, which would create a climate of violence and social disruption in the country that I don't think the new government wants to foster."

Current Makeup of Supreme Court Should Be Kept

When asked about the possibility of expanding the Supreme Court, the secretary of the Assembly stated that members of UNO "have latched onto an article of the constitution that speaks of seven justices as a minimum."

"Another article, however, provides for the independence of the branches of government, stating that each of them is given the power to organize itself.

"Whether they like it or not, the Supreme Court organized itself in 1987 for 6 years and will complete its term in 1993 with the seven justices who are there now. It could be decided later that more justices are needed, but this term has to be respected. The point is not to polarize or impose situations to politicize the court."

Passing the Minimum Wage Law As Is Would Be Irresponsible

He said that a minimum wage based on a basket of 29 items, as Marxist-Leninist and some Sandinist deputies introduced, would lead only to the bankruptcy of state-run, private, and mixed firms. "Such wages could not be paid; besides, it would be irresponsible to foment problems that would create widespread chaos for the next government."

We Cannot Repeal 116 and Say That No One Will Be Fired Here Anymore

As to the reform of the Labor Code that is being debated in the National Assembly, Article 116 in particular, he said that "the point is not to repeal but to reform it. We cannot repeal Article 116 and now say that there will be no more firings. That would create chaos too."

"Some reforms or adjustments do admittedly have to be made in the code to prevent the sort of improper decisions about firing workers that have been made even during these 10 years of Sandinist rule."

We asked him, in conclusion, what plans he himself had for the coming months.

"That's going to depend on the decisions that my party makes. One possibility is to attend the sessions as an alternate for Commander Tellez, although I don't know whether she's going to occupy her seat. In any event, I had requested to withdraw as secretary of the Assembly, the assumption being that we were going to win the elections, but now that we've lost, the situation could change a bit. I was planning to devote myself to other activities, but if I'm called to the legislature, I could continue to make my contribution. I'm an attorney and I could practice my profession again or teach college," Solis said, getting up from his chair and saying good-by to us with a faint smile.

* Dissension Surfaces in Sandinist Front Ranks

90CA0025I Managua LA PRENSA in Spanish 28 Mar 90 p 3

[Text] Sandinists Carlos Nunez and Rafael Solis had a spat yesterday with deputies from their party who asked that a reform of 61 articles of the Labor Code be discussed immediately in the legislature.

Nunez and Solis were of the view that the National Assembly ought to discuss Articles 116 and 119 of the Labor Code and that the rest of the work should be left up to the UNO [National Opposition Union] deputies who will take office in April.

Nunez reminded his party's bench that the term of the current National Assembly is drawing to a close and that it would not be able to do in the time that it has left "what we were unable to do in 10 years."

The president of the legislative branch added that the UNO deputies-elect would be obliged to draft a new Labor Code and to reform the civil and criminal codes because the latter are quite obsolete.

Nunez stated that he has heard labor leaders like Roberto Moreno say that they will work and support all measures that benefit the workers.

Nunez' and Solis' proposals did not strike responsive chords among the Sandinist deputies this time around, as they cast 69 votes in favor of immediately discussing the report on reforms that were submitted by Marxist Deputy Isidro Tellez and several Sandinist deputies.

From the opening of the session Sandinist Deputy Danilo Aguirre said that he disagreed with what his fellow party members, Nunez and Solis, were proposing and he asked that the current lawmakers be the ones to debate the 61 amendments to the Labor Code "to thus leave the working class with some weapons in dealing with the next government."

Jaime Onell, another Sandinist deputy, declared himself "in defiance of the Assembly's directive" for declining to make way for plenary debate on reforming the code.

Marxist Deputy Isidro Tellez asked whether the negotiations between the transition teams had influenced the Assembly's directive not to make way for the reform of the 61 articles.

"I'm not here to satisfy a counterrevolutionary government. Our duty is to enhance these reforms, not to help UNO. We're not going to give the National Opposition Union a cudgel with which to keep on 'screwing' the workers," Tellez said in his usual language.

The Sandinist bench deputies usually follow the instructions of their fellow party members (Solis and Nunez) but this time did not do so and instead tipped the scale in favor of the proposal by the Marxist-Leninist Isidro Tellez to immediately debate and pass the amendments to the Labor Code.

*** Tirado Outlines Post-Election Plans**

90CA0025H Managua BARRICADA in Spanish 20 Mar 90 p 3

[Interview with Commander Victor Tirado by Sergio Ferrari; date and place not given]

[Text] [BARRICADA] What will be the essence of the Sandinist Front's work after the change of government?

[Tirado] After 8 years of a war imposed by the U.S. Government, we first have to rebuild the economy. Then, in an atmosphere of peace and democracy, all of the social forces will come into play, as the three main players that were in one way or another involved in the war compete efficiently and within the framework of a mixed economy: the workers, of course, with their long experience in controlling the means of production in the APP [People's Ownership Sector], the State, and the private sector.

Now then, in the struggle for a new system, all of the socioeconomic forces will come into play, and the one that performs the best and is the most profitable will win in this capitalist stage that we will go through. Whether it is a "savage" capitalism or one that bears social grievances in mind will depend on the actual strength of each player. Ideological vision will also come into play in the struggle to rebuild the economy. Not a sectarian ideology, but one that makes the country's most important sectors think, the ones that can make the changes, in the understanding that the current stage is necessary.

Moreover, the Sandinist Front, by intensifying democracy, keeps the prospects of the Revolution, which is not over, alive. At the same time we are going to struggle to preserve sovereignty and self-determination. In a country like ours, that is to say, one that belongs to the Third World, national liberation goes hand in hand with reconciliation and national unity among all progressive and democratic forces to emerge from economic backwardness.

If this is not achieved, the process bogs down, because there are other powerful political and business forces that are opposed to the gains of the Revolution and that voted for the agenda of the U.S. Government's allies.

By the way, it is important to talk about the future with an eye on the past. I ask myself, for example: What does the electoral defeat of Sandinism mean? That people want peace, and that we cannot continue relying on war to resolve social contradictions.

There was a confrontation here between U.S. imperialism and the Sandinist Revolution. And the people got tired of the war and of the economic crisis. This means that in light of Sandinism's essence, which is anti-imperialism, the elections of 25 February demand that we conduct an in-depth review or study of the anti-imperialist revolution not just in Nicaragua but also in other countries that have followed this path.

Anti-imperialist revolutions must be seen in the framework of the major imperialist offensive by the United States, which has tried to halt the revolutionary process. For the moment it has prevailed in this bid, because it has major resources as a great power. Moreover, given the crisis in the socialist world, we don't have allies who can make this agenda viable. Therefore, the course has to be reexamined.

I think that the cycle of anti-imperialist revolutions is ending, in the sense of all-out military and economic confrontations with imperialism. Other options must be sought. The underdeveloped world cannot endure or live amid ongoing wars, as in Ethiopia, Mozambique, Angola, Afghanistan, etc. Underdeveloped countries like ours can no longer withstand conflicts that severely damage their economic foundations. Discussions will have to begin on proposing new things in the revolutionary process or, ultimately, on enabling the Revolution to coexist with the United States under a peace policy.

[BARRICADA] Do these thoughts stem from an assessment of the experience of the 10-year war that Nicaragua endured?

[Tirado] Yes. Sandinism was left almost by itself, battling the strong-arm U.S. policy. So I think that self-determination and sovereignty can be maintained within an electoral democracy, within the framework of the developed capitalist world.

[BARRICADA] This remark differs from what the FSLN [Sandinist National Liberation Front] said 9 or 10 years ago....

[Tirado] Yes. Back then we had help from the socialist camp, especially in the military sphere, though not for a real economic takeoff. There was also great national cohesiveness: young people, workers, peasants. This has eroded over the years....

With the passage of time, moreover, international conditions changed. With the collapse of the socialist world and the world trend towards disarmament and towards settling conflicts through negotiations, armed national-liberation struggles were left without support. In our case, if we analyze the 10 years, we arrived at an electoral process that represented a major mass movement. The masses were really the ones who were in movement, who wanted something, and ultimately 55 percent opted for peace as opposed to sovereignty.

Right now, as before, there are positive facets to any movement for peace, against a world thermonuclear war, against atomic missiles, even if they incorporate a wide range of peace-loving forces.

All of this must be analyzed calmly. Because I think that it's important to the revolutionary movement for the Sandinist Front to adopt a critical attitude about its mistakes and its wise decisions. Running in the elections was not a mistake. It was a wise move, one of the wisest.

There is no reason to fear any form of struggle, inside or outside of power, even if the bourgeoisie and imperialism propose it. It must be taken up and made positive. The future for other revolutionary movements can be charted this way.

Many people underestimated electoral democracy 10 or 20 years ago. They accepted only the armed, insurrectional struggle as a way of wresting power from the bourgeoisie. Times have changed.

[BARRICADA] Consequently, can you vie for power through an electoral democracy?

[Tirado] And one class can displace another from power through negotiations. But a very strong mass movement is needed.

[BARRICADA] Would electoral self-criticism be among the mistakes or the wise moves?

[Tirado] We're working on this, but it has to be put in the framework of the 10 years. Because I feel that what is happening now is a repeat of what we could have done in 1980-81. But we have to argue it out. I don't think that the mistakes that were made have to be described as catastrophic. They are almost natural in a logical process. What is on the way now are new stages that must be confronted in order to continue. Some comrades may suffer a heavy moral and ideological blow. But we can't ignore the facts.

[BARRICADA] Isn't Sandinism running the risk of weakening itself somewhat over the next few years?

[Tirado] We've left our trace, our mark. And it's not going to be erased to the extent that it is part of society's struggle. Whether or not today's men are the ones who continue the process, Sandinism will struggle to prevent the mark from being erased and to grow deeper every day.

[BARRICADA] Could you highlight the main goals of the forthcoming stage?

[Tirado] Besides preserving sovereignty, what interests us revolutionaries during this stage is economic recovery, so that we can gradually transform a society of exploiters into one of equality. What is needed in this connection is the path of economic development, which we must not fear in the interplay of a mixed economy with major disadvantages. Nevertheless, this provides more weapons for seeking legal changes and, when the time comes for them, having a strong economic base.

Whatever external economic aid the new administration receives over the next few years is helpful too, in fact. Imperialism cannot tell what it's going to help develop with this economic "aid." It is up to the most aware social forces, which will be in a better economic, moral, and ideological condition henceforth, to intensify the Revolution. This is why we have to promote all the economic measures. We led an uprising against Somoza and we found a destroyed economy. We moved into an anti-imperialist Revolution, and they further destroyed our material foundation. Alone we could not rebuild it and reactivate it with imperialism looking us in the face.

[BARRICADA] Will this new stage bring a new FSLN?

[Tirado] Yes. A party of cadres and a party of the masses. The two tasks can be spurred at the same time. We have to democratize our structures, make room for the new cadres, the new leaders, all in keeping with a new organizational concept of the FSLN. With less of a top-down approach. Hence, this stage is the most important for us and also vis-a-vis the world revolutionary movement that will continue to look to us.

[BARRICADA] Without models mattering?

[Tirado] We cannot force other countries or political forces to take after our experience without subjecting it to criticism. Revolutionary thinking, as we have seen in recent months, is not homogeneous. Each experience has its own interpretation of reality. For example, I think that the cycle of anti-imperialist revolutions as we conceived of them in the 1950's is over and that others are beginning: the conquest of sovereignty and independence. Others may think not. In any event, our reflections stem from having lived through a direct confrontation with imperialism.

I think that it's important for us to analyze the anti-imperialist revolutions, their models, and to ask ourselves why all of them have wound up with bankrupt economies, when the economy is the essence of any revolution. Because you don't undertake a revolution to bolster a war but rather to see results in the economy, which we haven't.

This is why I think that the most that we can aspire to today is to coexist with imperialism, even if it hurts us and we find it hard to say that. Having good relations with them so that they let us develop. In any case, mankind's tendencies do not change. But we can't speed things up. The electoral process in Nicaragua taught us that. This is the lesson that we have to draw.

* FSLN Scores New Government's Policies

90CA0025G Managua BARRICADA in Spanish 10 Mar 90 p 3

[Commentary by Darwin Juarez]

[Text] Former Guardsmen and landowners who are demanding their former properties; homeowners who are endeavoring to recover land on which thousands of families have settled; candidates for minister who promise "to compensate" those whose property has been expropriated (Read: use the public treasury to pay Somozists and their ilk for confiscated assets); "Operation Broom" for white- and blue-collar civil servants; amendments to the constitution to restore the old order of law and dispossess the people; these elements, among others, make up the climate of uncertainty that the cabinet in Mrs Chamorro's shadow has created.

By merely announcing the "gold cordoba" without having the appropriate backing in output and cold, hard foreign exchange, economic adviser Francisco Mayorga has begun to erode the confidence that the various economic agents have been building in answer to the call of the FSLN [Sandinist National Liberation Front] to join efforts. An example of gross irresponsibility.

As the old Nicaraguan saying goes, the people who will be governing alongside Mrs Chamorro "are dividing up the hide before cutting up the cow." To cite one example, at a time when this country has urgent needs to meet, such as medicine and medical care, the representatives of the Chamber of Commerce are already counting on an immediate allocation of $15 million to import "all sorts of goods and items." An eloquent indication that they care more about some gewgaw than a bottle of painkiller.

Worse yet, as for the Contras, the official spokesman of Mrs Chamorro's future government, LA PRENSA, asserted on 7 March that "the current commanders of the Nicaraguan Resistance (RN) were elected from among themselves, thus putting an end to CIA impositions" and that "they have reported, from Nicaragua, that they will remain armed to guarantee the transition."

In light of this, the $64,000 question is: What is going to happen in Nicaragua after 25 April, when Mrs Violeta Chamorro takes office?

What is going to happen with national reconciliation when the vice president-elect himself, Dr Virgilio Godoy, like the Contras, has repeatedly promised a "settling of scores"?

How is Mrs Chamorro going to govern when people around her, showing the height of disrespect, openly flout her authority? This, at least, is the case of the president of the Higher Council of Private Enterprise, Mr Ramiro Gurdian, who predicted a "hunger strike" for the president-elect like the one that the Panamanian Guillermo Endara went on, if her government does not secure the promised American aid.

For the time being, the people have expressed their determination not to allow under any circumstances the "guarantees" of the Contras that LA PRENSA has proclaimed and demanded for the transition period.

Those of us who live in accordance with the principle of the State of Law built by the Revolution hope that good sense and prudence will prevail over the extremist sectors that are merely displaying their revanchist designs rather than an interest in governing.

* Sandinists Defend Constitutional Laws

90CA0025F Managua BARRICADA in Spanish 24 Mar 90 p 3

[Commentary by Onofre Guevara L.]

[Text] The country's constitutional order was consolidated during the 5 years of the National Assembly, backed by the experience of the previous 5 years of the Council of State. The Political Constitution, the Law of Amparo, the Emergency Law, and the Electoral Law are the pillars of this order, not forgetting, of course, other laws that while not of constitutional stature (such as the Statute of Autonomy for the Atlantic Coast Regions and the Municipalities Law) also uphold Nicaragua's institutions.

These and other laws are not sufficient, however, given the magnitude of the Revolution's institutionalizing goals. Other equally necessary laws to round out this order still remain to be passed. This is precisely the current task of the National Assembly. And it has little time to accomplish it, before the changes in the Assembly cause a relapse towards laws that demagogues and opportunists will inevitably try to pass to further interests other than the ones that the Sandinist bench has represented and will represent.

Why is the current National Assembly taking such rapid action on its legislative agenda?

Among other things because people and organizations felt confident and secure under the revolutionary State, in which de facto situations, natural rights, have the same force as positive law, which confirms them, and they thus waited calmly and patiently for the institutional process to unfold normally. No one expected the situation created on 25 February 1990. Moreover, just by owning a home, for example, the people, including those who voted for UNO [National Opposition Union], felt what it was like to enjoy rights and were familiar with the political will and the devotion to justice of the revolutionary government. Therefore, they did not feel the need to have their natural rights put into laws.

We cannot rule out, though, that the representative bodies of the most diverse social sectors were somewhat negligent and that all of the members of the National Assembly were somewhat contemptuous of legislative work.

This confidence in the Revolution's spirit of justice is why there was such a backlog of bills and requests for legal status, not to mention the major laws that were just recently passed. Time is now of the essence in turning this spirit into positive law. There are no indications that individuals are taking advantage of the imminent change of government. However, those who are accusing the National Assembly of hastily passing laws to favor certain individuals are guilty of political opportunism, because they are forgetting that housing is a social problem and, therefore, affects everyone alike, regardless of their politics. It would certainly be wrong to assert that this problem will be partly resolved only for Sandinists under the laws that are currently being discussed. Countless people belonging to parties that oppose Sandinism are seeking an answer to their housing problem and will no doubt find it in these laws.

These professional critics also fail to mention that the laws that the National Assembly is hastily debating and passing will protect society from the severe conflict that would be triggered by the revanchist actions announced by small groups of people whose alleged property rights would enable them to evict huge numbers of families that are occupying "their" homes. It does not take much to recall the dubious, if not frankly criminal, origin of these properties.

In another vein, hundreds of social organizations engaging in cultural, charitable, community-development, educational, scientific, and productive activities are currently seeking legalization, organizations that have been in operation for more than 10 years, confident of the rights that the Revolution honored, without having to possess legal status. Could their concern over securing legal status be regarded as a political maneuver, given that a reactionary government is drawing near?

Thousands of workers, specialists, and professionals employed by the State and its decentralized agencies urgently needed to guarantee their right to work, given the possibility that the representatives of the new government may bring back repression in the form of the "broom," thus relegating to the archives of history their profuse and demagogic campaign rhetoric to the effect that there would be no revanchism. These employees urgently required a Civil Service and Government Careers Law, and now they have it. Is such a step to protect thousands of employees reprehensible?

And what can we say about the ever present revanchism of those whose holdings were confiscated and who are about to return?

We should say, in fact, that such revanchism has already reared its head. The former plunderers of government assets, the thieves wearing frock coats and carrying rifles who made ill-gotten fortunes are readying to hurl accusations at those who for 10 long years strove tirelessly, at the loss of their peace and quiet and their lives, to lift the national economy up from the Somozist ruins.

Those who criticize the legislative efforts of the National Assembly are not being sincere, far from it, because they are interested in satisfying their accumulated desires for revenge and would, with great pleasure, give vent to them against Sandinist families, workers, and former officials if they were not protected by the law. They would not take action against those who are truly guilty of administrative abuses, because they have already been punished by the Revolution, and if some have not been, which is quite likely, it is due to collective negligence, because their criticism was neither timely nor constructive.

In any event, those who have gone unpunished are the very few among the legion of Sandinist public servants who, though inexperienced, honestly tackled the difficulties of a government without funds and under attack.

The National Assembly still has legislative responsibilities and obligations, and the purpose of its current legislative activity is to create the legal channels for a peaceful government transition; this is its contribution to peace. Chaos is being fostered by those who want the people to be defenseless against those who see the change of government as an opportunity to vent their hatred on the Revolution's public servants. It is among this group of frustrated revanchists that we will see the critics of the National Assembly's most recent institutional efforts.

* Labor, Management Voice Differences

90CA0025E Managua BARRICADA in Spanish 10 Mar 90 p 4

[Text] "Ramiro Gurdian's main concern at this moment ought to be the demobilization of the counterrevolution. I think that this should be the role of COSEP [Higher Council of Private Enterprise] and that it shouldn't be thinking about breaking up the People's Ownership Sector (APP)," Daniel Nunez, the president of the National Union of Farmers and Cattlemen (UNAG), declared yesterday in commenting on the threatening statements by Ramiro Gurdian, the engineer who is vice president of COSEP.

Nunez, who is a deputy-elect from the Fifth Region, added that "if we really want peace and to reactivate the country's economy, we all have to struggle together so that the U.S. Government, which organized the Contras, helps to demobilize them."

He went on to say that this is not the time to create chaos but rather to act with a cool head, and he cautioned that wanting to break up what already exists "is like coming in and lighting a bonfire."

Daniel asserted that at no point would the peasants be willing to allow their gains to be taken away from them. As an example he cited what happened during a Contra attack on the estate of Mr Frank Lanzas that left 22 dead and an equal number wounded.

His remarks were supported by Ariel Bucardo, the national vice president of UNAG, who asserted that Mr Gurdian has started to sound the trumpets of war and that this is the first warning of their intention to take from us the lands that we have won under the Revolution.

However, we are already mobilizing as a cooperative movement so that we can strengthen ourselves as an organization.

Referring to the economic program of UNO [National Opposition Union], a summary of the Blue and White Plan that was entrusted to COSEP, Bucardo stated that it was harmful to the people because it ran counter to the interests of the workers and, in particular, the peasants.

"If this plan is implemented now that Mrs Violeta Barrios Chamorro is taking power, they are going to meet with the resistance and the struggle of the peasants,

who have gained a great deal of experience over the past 10 years," Bucardo cautioned.

Bucardo, who is also the national coordinator of the cooperative movement, expressed concern that the lands will be leased and, at the end of 1 year's time, may be handed over in their entirety and legally to their former owners.

"We know that this is a subtle way of returning lands to the Somozists," said Bucardo, who indicated that as a Cooperative Movement they are going to fight to prevent this from actually happening and so that the lands transferred to the 125,000 affiliates of UNAG are never snatched away from them because of debts to banks.

Defending the APP Across the Board

Jose Meneses, from the National Executive Committee of the ATC [Association of Agricultural Workers], said that the APP would be defended across the board; in other words, they are not going to allow the breakup of even a few enterprises that had been altogether abandoned at the time of the Revolution's triumph.

"Over these 10 years of Revolution we farm workers have risen up and shown the private sector that we're more efficient than they are."

He indicated that the surpluses of APP enterprises have been used to build more than 1,000 housing units for the workers, almost 100 Rural Infant Services (SIR's), communal laundries for women farm workers, dining halls, etc, whereas this has not been the case in the private sector, in spite of collective bargaining.

Meneses said that one of the ATC's main tasks is to defend jobs and that for this reason the APP must be defended because it provides work to some 60,000 members of this union organization. "The APP means hope, because this is where we guarantee jobs and investment," he added.

He went on to say that in the struggle to defend their gains dozens of farm workers have given their lives, while others have been left incapacitated. "This gives us greater energy to continue struggling for the interests of the working class," the ATC leader said in conclusion.

* Law Favoring Cooperatives Approved by Assembly

90CA0025B Managua BARRICADA in Spanish
22 Mar 90 pp 1, 5

[Text] The National Assembly last night passed the Agricultural and Agroindustrial Cooperatives Law, which guarantees the freedom to form cooperatives. Over the past 10 years the peasants helped by agrarian reform have chosen the cooperative as their form of organization and have built a strong movement that has major economic and social influence in domestic farm production and output for export.

During this new stage in the nation's history the refashioning of the legal framework for the agricultural and agro-industrial cooperative movement is a strong vindication of Nicaragua's peasants, because they have succeeded in becoming an effective tool for the country's economic development and a major element in strengthening democracy.

One of the main points that this new law has bolstered is the government's duty to support the agricultural cooperative movement, its unfettered development, and its autonomy, as a major part of the sweeping process of agrarian change that the Sandinist Revolution has spurred.

"The agricultural cooperatives have an illustrious heritage; their forerunner was General Sandino's effort to strengthen the first cooperatives that he formed in the mountains of Nicaragua," said Dr Carlos Tunnermann in opening the legislative debate.

The cooperatives organized before the enactment of this law are regarded as cooperatives in the process of formation or precooperatives, and they have the same rights and duties as those established under this law.

The law creates the National Fund of Agricultural Cooperative Development, whose proceeds will be used to further programs to revive and promote output, agroindustrial and export programs, programs to rebuild infrastructure that has been damaged for whatever reason, and construction projects for social purposes.

During the war that the United States has promoted against Nicaragua, the mercenary forces burned down a total of 350 cooperatives, which their members later decided to reorganize.

The fund must earmark monies to finance the educational, training, and cooperative-promotion programs that the National Federation of Agricultural Cooperatives will spur.

Constructive Input

Assisted by input from specialists at the National Union of Farmers and Cattlemen (UNAG) and at the Agrarian Reform Ministry, who have served as guides in organizing cooperatives, the full session made sure that the law would always benefit the cooperative members without allowing the original concept of this superior form of organization to become distorted over time.

A peasant by birth and possessing the experience she inherited from her husband Bernardino Diaz Ochoa, Benigna Mendiola was on the alert at all times. "They're not going to tell me any tall tales, because it's one thing to be here and another to be in the field working with the cooperatives," she asserted, while keeping up her steadfast defense of the rights of the women members to take part, receive training, and be secure.

Many male representatives also came to the defense of the women who belong to the cooperatives. Eligio Palacios from the Sandinist bench alerted the full session to the discriminatory nature of certain articles, which because of their generic use of the word "man" conferred benefits only on male affiliates and excluded females.

Therefore, the rules and principles that the agricultural and agroindustrial cooperatives must observe emphasize "equality of rights, without discrimination because of sex, race, politics, religion, or any other factor." Benigna says that at present 1,800 women hold posts as officers in the cooperatives and that a total of 44,500 women belong to cooperatives throughout the country.

Surpluses: a Controversial Issue

One of the controversial issues during yesterday's slow session was surpluses. To some they ought to be distributed among the members according to how long they have worked there, while others felt that the capital contributed in the form of goods and services should also be taken into account. The president of the assembly, Commander Carlos Nunez, appointed a multiparty commission to submit, along with UNAG and MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform], a joint proposal to the full session.

Leoncio Rayo, a peasant cooperative-member from Sebaco and a Sandinist Front legislator, said that in practice a portion of the surplus is set aside for the training of the members, another is earmarked for the social fund, and the rest is distributed among the associates according to how long they have worked there. This, however, is the approach of the cooperatives that emerged in the thick of the revolution and did so on the basis of bank loans; it is not the approach for those that are going to be set up in the months or years to come.

Autonomy

He also came out in favor of autonomy for the cooperatives, because it helps them to market their products and to import supplies and farm machinery.

Independent Liberal representative Constantino Pereira was active in yesterday's debate, and many of his contributions were included in the articles of the new law, mainly the ones that provide for training for the associates, especially as regards forming cooperatives.

Article 21 of the law also provides that agricultural and agroindustrial cooperatives are exempt from federal and municipal taxes for the first 2 years after they are legally established, as well as from charges for revenue stamps and stamped paper, registration fees for any act that they execute among themselves or with third parties, and publications that LA GACETA, the official journal, requires.

With the passage of this law the Decree-Law on Agricultural Cooperatives that the Government Junta of National Reconstruction promulgated on 17 September 1981 has been repealed, and because it is a public-order law, it annuls and amends any provision that may run counter to it.

Panama

Foreign Ministry May Request U.S. Compensation

PA1105040190 Panama City ACAN in Spanish 0006 GMT 8 May 90

[Text] Panama City, 7 May (ACAN-EFE)—The Panamanian Foreign Ministry is studying the possibility of demanding that the U.S. Government pay compensation for the 20 December invasion which was aimed at capturing former Panamanian "strongman" Manuel Antonio Noriega.

Panamanian Foreign Minister Julio Linares told the press that "there are arguments to back the belief that the United States should compensate Panama," but warned that this should be "carefully" analyzed to avoid "taking wrong steps."

The diplomat explained that Washington "greatly helped to consolidate former General Noriega's regime."

Linares added that the U.S. sanctions against this country between 1988 and 1989, intended to weaken Noriega's regime, "worsened the crisis that Panama is undergoing today" and is another reason to justify compensation, he said. "But how can an indemnity be sought from the U.S. Government if, on the other hand, the Panamanian people themselves received the U.S. military action not as an invasion but as a liberation," the foreign minister stressed.

Panamanians who suffered losses due to the U.S. invasion have hired lawyers to sue for compensation in U.S. courts.

Assembly Leader Suspects U.S. Role in Crises

PA1005190890 Panama City EL PANAMA AMERICA in Spanish 10 May 90 p 8a

[Report by Juan Pritsiolas]

[Text] Jose Antonio Sossa, president of the National Assembly's Government Commission, said on 9 May that the Foreign Ministry should demand that the United States furnish a "serious and detailed clarification" on the "coincidental participation of U.S. agents in the instability crisis" which Panama has been experiencing during the past few weeks.

Sossa did not rule out the possibility that CIA agents linked to ousted General Manuel Antonio Noriega are behind the recent events in the country, seeking to continue the position that the former strongman maintained in the country.

The Assembly has confirmed that U.S. agents have been involved in three different incidents that have caused

"commotion" in Panama. These three incidents are the statements made by Magistrate Eusebio Marchosky; statements made by Special Prosecutor Rodrigo Miranda; and the armed activities around the Presidential Palace on 1 May.

Sossa said: "In these three incidents, the alarm originated from information provided by U.S. agents. I think this has to be investigated thoroughly."

Sossa added it would not be "unheard of" that U.S. agents linked to former Gen. Noriega "are bent on hindering the country's democratic development."

PRD Leader Calls for Transition Government

PA1005145090 Panama City ACAN in Spanish 1304 GMT 4 May 90

[Report by Fabio Agrana]

[Text] Panama City, 4 May (ACAN-EFE)—Darinel Espino, secretary general of the Democratic Revolutionary Party (PRD), who was the main supporter of ousted dictator Manuel Antonio Noriega, has stated that Panama needs a "transition government," which would demand that U.S. troops leave the country and which calls for elections without foreign intervention.

Espino was interviewed by ACAN-EFE and he noted that the present Panamanian Government, headed by Guillermo Endara, "cannot be legitimate" or solve the country's problems because "the narco-invaders imposed it with blood and fire" after the United States militarily invaded the country on 20 December 1989.

"If we really want to initiate a process of development, we require a transition government to promote a social pact," said Espino, and added that this "will only be possible with a real reconciliation and an end to persecutions and psychological pressures."

Panama will only reach reconciliation "if we leave hatred behind us and start to strive for unity," stressed the PRD secretary general, who was also the agriculture development minister in the Noriega regime.

He also said that the PRD has "never" called for breaking off relations with the United States to protest the December invasion. "Quite the contrary,—he explained—we have talked about being partners in the canal; the canal's future depends on the understanding reached by both parties."

The PRD was founded in 1980 by General Omar Torrijos, the first "strongman" of the previous regime, and is the only party that supported Noriega. The party is represented in the legislative assembly with seven of the 58 seats in the legislature.

Endara has stated that this party can operate legally and with complete freedom. However, according to Espino, all the members of the PRD's National Executive Committee, as well as 116 of the 300 members in the party's national directorate, "have one or more charges against them at the Attorney General's Office."

"Simply stated, there are no possibilities for justice and persecution will continue," he said.

Espino explained to ACAN-EFE that he has been accused of participating in an alleged illegal withdrawal of funds from the Panama National Bank and that he is in hiding because there is an arrest warrant against him.

"I have an arrest warrant against me, I do not know the facts, and I hope to be able to study the case so that I can reply to it," added the politician. He also announced that he will continue the political struggle "clandestinely, in the streets, or in jail."

The PRD secretary general also asserted that despite "persecution, PRD members" presently have "a great amount of moral force and willingness to fight."

Planned Social Fund 'To Generate 30,000 Jobs'

PA1005184790 Panama City LA ESTRELLA DE PANAMA in Spanish 9 May 90 pp 1a, 2a

[Report by Hermes Sucre Serrano]

[Text] Guillermo Ford, second vice president and planning and economic policy minister, stated yesterday in La Chorrera that the government hopes to create a special social fund totaling $250 million to generate 30,000 jobs within a three-year period. Ford made those remarks during a visit to the town's Ciudad del Nino children's center. The vice president was invited by the Rotary Club to learn of the economic problems that children's center is facing.

Ministry spokesman Reynaldo Nunez told LA ESTRELLA DE PANAMA that the center has had to reduce by half the number of children it cares for —from 200 to 100—because of economic difficulties. "The civic clubs are doing all they can to save this project," he noted. Ford explained the program will not just deal with the unemployment problem but will also seek solutions to the country's social ills. "I do not believe in giving alms but in giving the poor an opportunity to earn their livelihood with honesty and dignity."

The vice president noted that respect for human dignity is the most important thing for this government. "We will give jobs to the neediest so they can improve their situation and attain the living conditions they hope for," Ford remarked. He added that he will place his trust in the civic clubs, which in five months have generated 5,000 jobs, an accomplishment that helps to relieve the country's unemployment rate.

According to the vice president, the state bureaucracy will not administer the special social fund, and that is why the civic clubs will shoulder the responsibility for it. Ciudad de Nino shelters children ranging in ages from six to 17 years. At present, the Rotary Clubs and other civic organizations are trying to collect funds so that the

original number of children can return. Ciudad del Nino is a project which begun in the 1960's under the sponsorship of First Lady Petita Saa de Robles, wife of the late former president, Marco A. Robles.

Charges Dropped Against Chalo in Rodriguez Murder

PA1105005890 Panama City Circuito RPC Television in Spanish 2355 GMT 10 May 90

[Text] Ending our newscast, we report that an Attorney General Office spokesman stated to a RPC Television reporter late this afternoon that there are no grounds to maintain the arrest orders against former Mayor Gonzalo, aka Chalo, Gonzalez, who sought asylum in the Peruvian Embassy in Panama City. The spokesman added that the arrest order against the former officer had been revoked because one of the persons implicated in the [Justines Rodriguez child murder] case had withdrawn his accusations against former Mayor Gonzalo Gonzalez. According to this report, the witness said he had accused Gonzalez for personal reasons. Therefore, Gonzalez is no longer a suspect in the Justines Rodriguez crime.

Vice President Arias To Leave on European Tour

PA1005174990 Panama City LA ESTRELLA DE PANAMA in Spanish 8 May 90 pp 1a, 2a

[Text] Official media have reported that beginning on Sunday, 13 May, First Vice President Ricardo Arias Calderon will make "high-level" official visits to France, West Germany, Belgium, Italy, and Spain.

Arias Calderon will be accompanied by Jose Galan as economic adviser, and Brett Patton as legal adviser during his two-week tour.

A French diplomatic source approached by LA ESTRELLA DE PANAMA said that French Ambassador Jacques Rummelhardt will accompany Arias Calderon and his team during the vice president's two-day visit to Paris.

Rummelhardt is continuing his diplomatic mission in Panama after having played an outstanding role in 1989 when, on two occasions, he negotiated the release of dozens of General Manuel Antonio Noriega's opponents who had been arrested during antigovernment demonstrations.

Arias, who is also minister of government and justice, president of the cogoverning Christian Democratic Party, and vice president of the Christian Democratic International, will be making his first tour of Europe since taking office as vice president on 20 December 1989, when the United States carried out a military intervention in Panama.

The contacts Arias will establish and the topics he will discuss are not known.

Arias Calderon leaves for Europe on Saturday, 12 May.

Bolivia

Coca Crop Replacement Program Progresses

PY1005143090 La Paz PRESENCIA in Spanish 5 May 90 p 4

[Text] (ANF)—Through its operational units, the national government has replaced a total of 3,361 hectares of coca crops during the past four months. This represents an increase in the number of hectares eradicated in 1989 and also represents a new record.

According to the Under Secretariat for Alternative Development [Subdesal], in April 1990 a total of 1,093 hectares of coca crops were replaced in the Chapare Zone of Cochabamba.

Reviewing the number of hectares of coca eradicated during the past four months, it can be noticed that the largest number was eradicated in April.

In January 600 hectares of coca were eradicated; in February 700 hectares of coca were eradicated; and in March 830 hectares of coca were eradicated.

The Subdesal invested $6,722,000 in compensation for the replacement of these 3,361 hectares. Under Law 1008, coca farmers receive $2,000 for each hectare eradicated.

This total of eradicated coca crops surpasses initial projections. The Law of Special Regulations for Coca and Controlled Substances establishes that Bolivia must eradicate a total of 6,000 hectares of coca crops during 1990.

Thanks to their efficiency, Subdesal has already replaced more than 50 percent of the hectares required for the current fiscal year.

According to Subdesal officials, the national government is making a real effort in its clear interest to assist in the struggle against drug trafficking, seeking to promote acts of economic cooperation by governments and international organizations.

Subdesal Chief Osvaldo Antezana has reported to the Fides News Agency [ANF] that a total of 830 hectares that were subject to compensation payment were eradicated in March 1990. He made it clear that no compensation was paid for 26 of these 830 hectares. These 26 hectares involved freshly planted coca crops.

Brazil

Cardoso Announces 'Real' Debt Negotiations

PY1005150490 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 May 90

[Text] Brazil has already established a timetable for negotiating its foreign debt by scheduling the visit in June of an IMF mission, with which Brazil will sign the first agreement. Economy Minister Zelia Cardoso de Mello said Brazil will now conduct real negotiations.

[Begin Cardoso recording] We believe Brazil has already transferred enough resources. To continue to do so would be entirely out of keeping with President Fernando Collor's goals and with his commitment to resume our economic growth. Therefore, we will conduct these negotiations under the terms we have already announced. We are absolutely determined to negotiate, to sit a the negotiating table, and to take a different stand in this regard. Until now we have not conducted any negotiation on our debt. The Brazilian Government has so far only signed contracts drafted by our creditors. This will not happen any more. We want to sit and negotiate. [end recording]

Cardoso added that these negotiations will conform to the principles outlined by President Collor, that is, they will seek to preserve the country's economic balance and growth.

Underestimated Withdrawals Cause Liquidity Growth

PY1005215490 Rio de Janeiro O GLOBO in Portuguese 9 May 90 p 19

[Text] Brasilia - The government's economic team has been surprised at the amount of new cruzados withdrawn after the freeze imposed by the Collor Plan. The team is now trying to solve the problems caused by the unexpected liquidity growth. Financial market sources estimate that the amount of cruzados now circulating is 14 percent of the GNP ($49 billion or 2.49 trillion cruzados at commercial exchange rates), instead of 12 percent ($42 billion or 2.14 billion cruzados), [as published] which is the Central Bank estimate.

Economy Ministry advisers believe the government miscalculated by authorizing the withdrawal of funds for several purposes and failing to consider the inevitable frauds. The technicians believe that only some banks and individuals now have frozen money. Nonfinancial companies have already managed—the Brazilian way—to withdraw the money, many times with the help of state and municipal governments.

Union Carbide do Brasil President Jean Daniel Peter says that most businesses have no more new cruzados because they have paid all debts and taxes. For example, his business had $18 million (918 million Cruzados) [as published] in the overnight market on 15 March, but all this money has already been withdrawn. The government was not aware that enterprises were prepared before the plan for the liquidity shortage, and all invested funds were committed to debt payments. As in previous stabilization plans, it was known debtors would benefit.

A well known consultant of Sao Paulo enterprises disclosed that the illegal transfer of business accounts and even of private individuals "ran loose". The new

cruzados were sold at a discount of up to 70 percent. The municipalities contributed by issuing bills with dates prior to the economic plan that could be paid with new cruzados. The contractors were the ones who benefited most with this procedure.

The federal government also benefited because it has had a record tax collection. In April it collected 524 billion cruzados, 26.5 percent more than estimated. This shows that people are making an effort to pay their taxes early. The deadline for payment of taxes in new cruzados expires on 18 May.

Fraud is a separate chapter in the economic team's struggle against the evasion of new cruzados. Various forms of fraud have appeared using the exceptions authorized by the government (pensioners, unemployed, heath treatment, withdrawal of the FGTS [Unemployment Compensation Fund]). The amount of money released for pensioners, for example, was 5.5 percent more than estimated. According to Central Bank advisers, there was an unexpected number of cases of fraud in addition to the government's mistaken estimate. There is information that financial enterprises contributed to illegal conversion but the Central Bank has been unable to obtain evidence against them because the instructions allowed to various interpretations which were used to justify the transactions.

A radical reaction is expected from the government. Minister Zelia Cardoso de Mello has a strict measure for states and municipalities that have debts with the federal government. The order is not to retreat an inch, as was the case during the previous administration.

A ministry authority has stated that "they are full of money, but we are not going to allow them use that excessive tax collection for the elections. They will have to honor their debts. It is estimated that the states and municipalities will collect $2.5 billion (128 billion cruzados) [as published] per month with the ICMS [Goods and Services Circulation Tax].

Xingu II Plane To Patrol Amazon for Drugs

PY1005155490 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 May 90

[Text] Federal Administration Secretary Joao Santana and Federal Police Chief Romeu Tuma have inspected a plane in Brasilia that will begin an antidrug program. The plane, a five-seat Xingu II, will be used to patrol border areas and to locate marijuana plantations in the Amazon region.

Brazil will thus cooperate with the United States in the fight against drugs. The U.S. Government has donated $230,000 in equipment, including sensors and photographic and video cameras, which will be installed on the plane.

Tuma noted that it is impossible to conduct an antidrug operation without air support. He added that the Xingu II will be the first aircraft to be used in this type of operation in Brazil and that the Federal Police will soon receive a helicopter for similar work.

Chile

Justice Minister on Relations With Armed Forces

PY1005195290 Santiago Radio Chilena Network in Spanish 1700 GMT 10 May 90

[Text] Justice Minister Francisco Cumplido has said that the government feels no animosity whatsoever toward the Armed Forces. He thus alluded to the remarks that government-appointed Senator Santiago Sinclair made in this regard. After a Cabinet meeting at La Moneda, the minister said that no new law on pardons for common criminals will be submitted to Congress, at least within the next few months.

[Begin Cumplido recording] Some months should pass because there are other pending bills. The bill on the Office for the Return of Exiles is being analyzed by the human rights commission, while the Constitution, legislation, and justice commission is studying three other bills. Therefore, bills should be gradually submitted, because Congress cannot study them all at the same time. [end recording]

The minister reported that three new petitions for pardon have been received on behalf of political prisoners.

As for the National Renewal Party proposal for amending the antiterrorist law, the minister said it was analyzed and that Congress will have to make the final decision. The respective commission will study the bills submitted by the administration, by Deputy Gutemberg Martinez, and by the National Renewal Party, and will choose one of them.

Retired Carabinero Colonel Killed in Santiago

PY1005190090 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 10 May 90

[Text] We will now give more details on an attack in which Colonel Luis Fontaine, retired, a former Diconcar [Carabineros Communications Department] chief, was killed.

According to information gathered on the site, the attack took place at 1330 at the intersection of Santa Isabel and Portugal Streets where two individuals disguised as students shot at Col. Fontaine who was traveling in a taxi. The attackers apparently used handguns and fled from the site on foot. A passerby was wounded by the shots.

Col. Fontaine was taken to the Carabineros Hospital in the same taxi in which he was traveling. He died there.

Unconfirmed reports indicate that a person involved in this attack was detained in the Macul area. At any moment, we will have more information from the site of the attack.

Repudiating the killing of Col. Luis Fontaine, retired, Minister Secretary General of Government Enrique Correa announced the government asked for the appointment of a special judge to investigate this crime in order to resolve it as soon as possible.

Groups Claim Responsibility

PY1105024490 Santiago Radio Chilena Network in Spanish 2300 GMT 10 May 90

[Italized passages are recorded]

[Text] Several phone calls by alleged terrorist groups of various tendencies have claimed responsibility for the murder of Carabineros Colonel Luis Fontaine, retired, former Dicomcar [Carabineros Communications Department] chief.

One individual, who phoned from a public booth located on an obviously busy street, claimed that the attack had been perpetrated by the Nationalist Combat Front [Frente Nacionalista de Combate] to execute a traitor.

[Unidentified speaker, in progress] *...the public opinion that today, 9 May, at 1325, one of our units eliminated the traitor who intended to hand in information on the struggle waged against communism during the past 20 years. Freedom will only be possible by safeguarding the family, the property, and freedom. Viva Chile!*

Another anonymous phone call held the Manuel Rodriguez Front responsible for the crime.

[Unidentified speaker] *We claim responsibility for the murder of Colonel Fontaine [words indistinct]. We belong to the Manuel Rodriguez Front. We do this for the sake of justice and for no other reason. This is all.*

After this phone call another anonymous voice asserted that the authors of the attack allegedly belong to the so-called Martyrs of 73.

[Unidentified speaker] *Others will come after Fontaine. Martyrs of 73, armed rebel group.*

All the phone calls were made without a prior warning and in a hasty manner. Therefore, we were unable to record them entirely.

Navy Authorities Hold 'Secret' Meetings in Arica

PY1105031890 Santiago Radio Chilena Network in Spanish 2300 GMT 10 May 90

[Report by Hector Merida from Arica]

[Text] High-ranking officers of the Chilean and Peruvian Navy held lengthy secret meetings yesterday and today. No official information has been disclosed so far on the meetings that allegedly focused surveillance of the maritime border between the two countries.

The Chilean delegation is headed by the director of the Chilean Maritime Territory, Vice Admiral Juan Carlos Toledo de la Maza and the Peruvian delegation by Rear Admiral Italo Indochea.

According to unofficial sources, the Peruvian delegation comprises six high-ranking navy officers and the three Chilean high-ranking officers who met as of 1500 yesterday in the (Azapa) Motel. The Peruvian delegation arrived by land yesterday morning and will allegedly return to Peru today.

This information was neither confirmed nor denied by the office of the Arica Maritime Governor, Captain Jorge Middleton Baraona, who also participated in the meetings during which they had allegedly reviewed the incident last month on the Chilean-Peruvian maritime border, when a Peruvian patrol boat gunned a Chilean fishing boat.

Arrest of 50 Former Intelligence Agents Ordered

PY1005191490 Santiago Radio Chilena Network in Spanish 1700 GMT 10 May 90

[Text] The newly-created Police Intelligence Division has been ordered to arrest former agents of the dissolved National Intelligence Central summoned by Military Judge (Sergio Cea), who heads the 2d Military Court, in connection with an investigation into the death of seven people during an alleged clash at 582 Pedro Donoso Street, in Conchali.

The judge ordered the arrest of 50 former agents on charges of alleged involvement in the so-called Albania Operation. The former agents failed to report to the judge's office despite the fact that they were summoned on six previous occasions, so the judge submitted the warrants for arrest to the newly created Intelligence Brigade of the Investigative Police, whose members were known in the past as "the fat-bellied men of the PP [expansion unknown]."

We have confirmed that the house is now closed with heavy chains. The room where the presumed Manuel Rodriguez Front [FPMR] extremists died was totally destroyed by a fire in November 1988. To pay tribute to their beloved ones, relatives of the dead placed a large cross and an image of Sister Teresa de los Andes in the house.

Lawyer (Nelson Caucotto) has filed the lawsuit against the agents. He asked a military court to investigate the fire because it destroyed major evidence in the case.

Colombia

Law on Presidential Candidates 'Unconstitutional'

PA1105020990 Hamburg DPA in Spanish 0019 GMT 11 May 90

[Text] Bogota, 10 May (DPA)—The Colombian Supreme Court today declared unconstitutional the registration of five presidential candidates for the upcoming 27 May elections.

The measure especially affects Antonio Navarro Wolff, candidate of the former 19 April (M-19) guerrilla movement, who replaced Carlos Pizarro Leongomez, who was assassinated last month while he was aboard an airplane, as M-19 presidential candidate.

The Supreme Court, which has issued its ruling on the decrees and laws promulgated by the legislative and executive branches, declared unconstitutional a decree issued by the government of President Virgilio Barco Vargas that eliminated the qualifications for persons to register as presidential candidates. The decree was issued under the state of siege that has existed for the past six years.

The government decree was issued to favor Pizarro Leongomez, who entered the presidential race after a peace process whereby the M-19 demobilized and abandoned the armed struggle.

Also affected are candidates Guillermo Aleman, popular singer; cumbia composer Mario Garena; Jairo Rodriguez Leon, and Henry Farfan Silva, who had already resigned, although none of them had any chance of winning.

According to the Supreme Court, the state of siege must only be considered when issuing decrees dealing with the restoring of public order, which does not contemplate presidential elections.

The Colombian laws demand that a presidential candidate must be or have been a parliamentarian, university professor, ambassador, or attorney general, and have been a professional for at least five years.

Nonetheless, the Supreme Court's decision is not retroactive, and the candidacies will be withdrawn only if they are officially challenged.

National Police Director Denies Coup Rumors

PA1005154490 Madrid EFE in Spanish 1459 GMT 10 May 90

[Text] Bogota, 10 May (EFE)—National Police Director General Miguel Antonio Gomez Padilla has denied rumors that sectors of the armed forces and police corps are preparing a coup.

At a news conference held on 9 May, Gomez Padilla said that the Colombian armed forces and police corps are professionals, and respect the Constitution and laws.

When reporters stressed that the coup is being prepared by active and retired military officers who disagree with the current commanders, the police director repeated his denial of those rumors.

The general said that active as well as retired officers all have the same professional background.

Rumors of a coup have been rife throughout the country after three presidential candidates were killed in eight months.

The murdered candidates are; Luis Carlos Galan (8 August 1989), and leftists Bernardo Jaramillo (of the Patriotic Union on 22 March 1990), and Carlos Pizarro (19 April Movement on 26 April 1990).

4th Brigade Arrests 3 Linked to Medellin Cartel

PA1105041790 Bogota Inravision Television Cadena 1 in Spanish 0020 GMT 11 May 90

[Text] Today, there was a sweep in Medellin. The 4th Brigade conducted a raid and arrested Attorney Guido Parra, spokesperson for the Medellin Cartel on various occasions, and industrialist Diego Londono White, whose brother Santiago negotiated with attorney Parra the release of the son of Presidency Secretary German Montoya.

The 4th Brigade also arrested Bertha Mejia de Cerna, councilwoman for Envigado. All three are charged with having links with narcoterrorism. Here is our correspondent in Medellin:

[Begin recording] [Unidentified reporter] The three people who were arrested by the 4th Brigade, attorney Guido Parra Montoya, architect Diego Londono White, and Envigado Councilwoman Bertha Ines Mejia de Cerna were carried out at the same time between 0500 and 0700 this morning. According to Guido Parra's wife, his arrest took place after an intense search was made of their apartment in Laureles neighborhood in the eastern part of Medellin.

[Parra's wife] It is an unfair action, because the government sent for him as a peace mediator. I do not think it is normal for the government to have him arrested since they sent for him. [end recording]

The three persons arrested were taken to the 4th Brigade installations where they were questioned by members of the Judicial Police.

Attorney Guido Parra has been a key element in the talks that were held each time that the government wanted to approach the narcotraffickers. It was through Guido Parra that the first talks began with the participation of former Minister Joaquin Vallejo Arbelaez. Guido Parra was also the man the government looked for when they needed to obtain the release of Alvaro Diego Montoya Escboar, son of the Presidency secretary. What is not clear now is why the government looked for Guido Parra and why the 4th Brigade has arrested him.

Liberal Mayor-Elect Killed in Labateca

PA1105021090 Hamburg DPA in Spanish
0054 GMT 11 May 90

[Text] Bogota, 10 May (DPA)—Luis Enrique Morales, mayor-elect of the Colombian township of Labateca, was assassinated today by a mercenary who shot him down in a party headquarters of the town, authorities have reported.

It has been learned that Morales, a member of the ruling Liberal Party, was in the company of several friends when the gunman shot him and took off toward an unknown destination. According to reports, the assassin managed to leave Labateca, a township in Norte de Santander Department, 310 km northeast of Bogota.

Morales was elected mayor in the past 11 March legislative and municipal elections.

Peru

Government To Request Extension of Debt Deadline

PY1005141490 Madrid EFE in Spanish
0032 GMT 10 May 90

[Text] Lima, 9 May (EFE)—Peruvian Prime Minister Guillermo Larco Cox today reported that his government has asked the international creditors taking legal action against Peru in the United States to grant Peru an additional term to allow the new government to negotiate.

Larco Cox noted that because of its liquidity shortage, Peru has left the payment accord of the Latin American Integration Association (ALADI) and has asked ALADI members to engage in bilateral negotiations. Peru owes $123.4 million to ALADI members.

In March 1990, international creditors filed 11 lawsuits against Peru in New York. They demanded compulsory payment of approximately $2 billion shortly before the debt became uncollectable under the statute of limitations.

Judge John Keenan, president of the Manhattan court that is hearing the case, has set 9 July as the deadline for Peru to respond to the main creditor, the Bank of America, which is demanding $1.2 billion.

Larco Cox said Peruvian lawyers requested an extension until 31 August, to allow the new government deal with the issue. The new Peruvian Government is scheduled to take over one month before that date, after the runoff elections to be held on 3 or 10 June.

The Peruvian prime minister denied this is a "time bomb" that President Alan Garcia will leave for his successor, independent Alberto Fujimori or centrist-rightist Mario Vargas Llosa, the two runoff contenders.

He said that his country recognizes a foreign debt of approximately $20 billion that cannot be repaid under the current conditions.

Peru has not serviced its debt since Garcia took over in 1985.

Peruvian economists have said that, over the next few months, Peru's withdrawal from ALADI could make it "significantly more complicated" for this country to import basic raw materials like wheat and paper.

Larco Cox said that his country is negotiating a credit with which to buy Argentine wheat. Argentina is one of Peru's major creditors within ALADI.

ALADI allows for commercial operations between members without an immediate transference of currency.

According to journalistic sources, the Argentine Central Bank "has asked Peru about the amortization deadlines for the debt that came due in the first quarter of 1990, and amount to some $100 million."

Japanese Community Fears Terrorist Attacks

PY1005160290 Madrid EFE in Spanish
2117 GMT 9 May 90

[Text] Lima, 9 May (EFE)—The Japanese community in Peru fears it will become the target of terrorist attacks if Alberto Fujimori, who is of Japanese descent, is elected president for the 1990-1995 term on 3 June.

The fear of the Japanese and their descendants ("Nikkei") is based on the fact that commands of the pro-Maoist Shining Path terrorist group have murdered an unspecified number of candidates and members of the Democratic Front (Fredemo) which supports the presidential candidacy of Vargas Llosa.

The Shining Path terrorists began their armed struggle in 1980. They have murdered thousands of leaders and authorities of the Popular Action party, headed by Fernando Belaunde, and of the APRA (American Popular Revolutionary Alliance) led by current President Alan Garcia. These two parties have ruled the country for the past ten years.

Fujimori, 51, the independent candidate of the Change 90 movement and Vargas Llosa of the center-rightist Fredemo obtained the highest number of votes in the first round of elections held on 8 April.

According to several sources, Peruvians of Japanese descent might not vote for Fujimori because they fear terrorism and because they want the Japanese tradition of honesty and fairness to remain "clean" and free from possible acts of corruption under a government ruled by the representative of the Change 90 movement.

Augusto Ikemiyashiro, president of the Peruvian-Japanese Association, told EFE that this organization carried out institutional and social activities and it has no link "at all" with the group headed by Fujimori.

"The Nikkei are fully independent as Peruvian citizens to vote for the candidate they choose," Ikemiyashiro said.

He said: "Mr. Fujimori is successfully engaged in politics, like many other Nikkei who have succeeded as physicians, engineers, military men, scientists, sportsmen, writers, and congressmen."

Ikemiyashiro said the Japanese emigration to Peru began 91 years ago, and there are now five generations of Japanese descendants who were born in Peru, and who have "the same obligations and rights as any Peruvian citizen. We do not feel that we have been set aside or aggrieved."

He said that the association has asked the Nikkei to remain calm, and to not react to alleged racist attacks that were reported when it was learned that Fujimori had come in second in the 8 April elections.

"We were concerned about the first signs (of racism), but they are disappearing little by little," Ikemiyashiro added.

Some Japanese and Nikkei commented to EFE on the violence, mistreatment, and looting of their stores in Peru when the Peruvian Government decided to support the United States in the war against Japan.

"We went through moments of terror, bitterness, and anxiety. May God forbid the repetition of such ungrateful incidents in the life of the Japanese community," said Katzuko and Teruko, who are prosperous Japanese businessmen.

A veteran Japanese journalist, who asked not to be identified, told EFE that the Nikkei community consists of some 50,000 people, and that they have decided "not to vote for Fujimori."

He said that the decision was made due to a fear of possible attacks by subversive groups that will link us with a government ruled by a Japanese."

Speaking at a recent Nikkei assembly over the reappearance of racism, Masao Nakachi, an "Issei" (the oldest veteran among the Japanese immigrants in Peru) said: "We should not fear. We have been cooperating with Peru for 91 years now."

Nakachi added: "that will not occur again (the racism and the violence) because millions of Peruvians have expressed their confidence that a Nikkei can rule the country. This is eloquent proof of our good image in Peru."

Rolando Tamashiro, the director of the Archaeology Museum of the Catholic University, said that following the reappearance of racism, tens of Japanese and Nikkei travelled to Japan after 8 April, following the news that Fujimori had come in second in the elections and that he is the favorite to win the second round of elections.

Uruguay

President Comments on Foreign Debt Negotiations

PY1005194890 Madrid EFE in Spanish
0755 GMT 10 May 90

[Text] Montevideo, 10 May (EFE)—Uruguayan President Luis Alberto Lacalle has reported that his administration is negotiating a guarantee with the IMF that will permit the country to reduce its foreign debt with private banks.

During a news conference with foreign journalists, President Lacalle said that the IMF attitude will represent "a certificate that will certify the soundness of the country's finances," and will serve to formally begin final negotiations with the commercial banks to reduce the debt.

Lacalle did not want to advance details of Uruguay's proposal to the creditors' committee, but indicated it will be based on petitions of "fresh money," new loans with low interest rates, and a reduction of the current interest rates. In response to a question posed by EFE, the president confirmed Uruguay's interest in purchasing its foreign debt at secondary market prices.

Uruguay's foreign debt totals $6.33 billion. However, the greatest problem for the country is the foreign debt held by private banks contracted at very high interest rates, forcing the country to transfer abroad one-third of its export revenues, which in 1989 totaled $1.5 billion.

Lacalle pointed out that Uruguay is favored by the fact that it has always punctually paid its obligations. Other financial sources, however, pointed out that this punctuality has been an obstacle for the private banks' interest in renegotiating their loans under better terms. The president pointed out to the foreign correspondents that he was "moderately optimistic" about achieving a satisfactory result. Uruguay will try to purchase its foreign debt for about $1.7 billion.

The Uruguayan president also confirmed that Uruguay will accentuate its characteristic of a free financial market place and will champion banking confidentiality. Asked about the "laundering of dollars" coming from drug trafficking activities, the president said, in this regard, it was not necessary to remove banking confidentiality, but to act like Switzerland where information is supplied with all legal guarantees. "The judges' actions in some cases could remove the banking confidentiality, but we will champion it to protect the system," the president stressed. According to Lacalle, the problem of drug trafficking and the "laundering of dollars" will not be solved with isolated measures.

Lacalle pointed out that the issue of drugs must be faced as a whole, throughout its entire process—namely its production, processing, consumption, and "money laundering." "Each one of us should assume our own duties,"

emphasized Lacalle, who said that he had clearly expressed this concept to U.S. President George Bush during a private meeting.

The Uruguayan chief of state also expressed his concern about the plundering of fish species in the South Atlantic. Lacalle indicated that he had discussed this issue with FAO representatives and that he will also discuss it with his Argentine counterpart, Carlos Saul Menem, and his Brazilian counterpart, Fernando Collor de Mello, to study the situation and make a scientific evaluation of the damage caused to fishing resources.

Lacalle Analyzes Development Needs, Prospects

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1000 GMT 10 May 90

[Excerpt] Montevideo, 10 May (EFE)—Uruguayan President Luis Alberto Lacalle doubts that Europe will unite in 1992. He said that he arrived at this conclusion after analyzing the events in Eastern Europe. During a press conference with foreign correspondents, Lacalle said that "we do not yet know what will happen in this regard," because "sometimes destiny gives political plans a shock."

When the unification of Europe was agreed upon, the Berlin wall had not yet been destroyed, and neither the events in the East nor the new situation between both Germanys had developed."

Lacalle analyzed the repercussions that raw material suppliers like Uruguay will face in 1992. "The world no longer has to adapt itself to the unification of Europe," he said. He added that one cannot afford to ignore the situation and that his country will need a high level of technical development to tackle the problems that will be posed by the future.

He noted that "in a world of blocs, countries like Uruguay should adopt a policy of multiple contacts." Uruguay wants to attract foreign investment, although he made it clear that capital is no longer supplied by a specific country but "by the world."

To adapt itself to the future economic situation, Uruguay will implement its modern duty-free zone law, "which is the world's most liberal law," Lacalle said. "We would like to have many duty-free zones, because they encourage the private sector." He added that his government will supply the infrastructure requested by investors.

He said that the system of free movement of capital, bank secrecy, and the absence of state intervention in the exchange market are the foundations of the Uruguayan economic policy and the main factors that attract foreign investment. He emphasized the geographical location of his country, noting that its port of entrance to the River Plate Basin will also attract investment. [passage omitted]

Venezuela

Nicaragua To Rejoin San Jose Oil Agreement

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[Text] Caracas, 7 May (EFE)—Venezuelan Energy and Mines Minister Celestino Armas said today that Venezuela proposed to Nicaragua several formulas to cancel the $143 million oil debt it has with this nation.

The Venezuelan official said in a news conference that in his recent visit to Nicaragua, he and the Nicaraguan authorities analyzed a mechanism that would allow President Violeta Chamorro's government to pay its accrued obligations with Venezuela within the San Jose agreement.

Nicaragua is one of the Central American and Caribbean nations that has benefitted from the San Jose agreement, through which Mexico and Venezuela supply these nations with oil under special payment conditions.

Venezuela suspended oil shipments to this nation in 1982 because of that nation's default in paying for its 10,000 barrel daily quota of crude oil.

Armas also said that Nicaragua owes Mexico approximately $300 million for oil supplied under the San Jose agreement.

The Venezuelan official did not explain what payment formulas were presented to Nicaragua, although he indicated that one of them might be to separate the amount of payments due according to creditors. Nicaragua owes $10 million to the state-owned company Venezuelan Petroleum, Inc. (PDVSA), $100 million to the Venezuelan Investment Fund (FIV), and the rest for interest due on back payments.

Nicaragua's reincorporation into the San Jose agreement largely depends on international financial cooperation which this nation will receive in the wake of the new democratic era begun on 25 April with President Violeta Barrios de Chamorro's inauguration, Armas said.